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ABSTRACT

This guide offers first-time business persons information as well as administrative and operational techniques for one-person business enterprises that have low initial start-up costs and low operational and overhead costs. These one-person businesses can be home based or have site locations outside the home. Included in this guide is a list of potential types of small businesses and estimated cost for starting up the business. The list groups the business types into the general areas of Trades and Construction, Service, Retail, Food Service, and Manufacturing. The five main sections in the guide can be used together or independently: (1) business administration; (2) cash/budget management and accounting/bookkeeping; (3) marketing and sales; (4) estimation, project management, and sales; and (5) merchandising and inventory. Each section may contain an introduction and a summary with questions. The business administration section contains information on customers, associates, vendors/suppliers, the various government agencies that affect businesses, and 53 references. The guide contains examples of a cash budget, competitors information sheet, weekly sales calls and report, labor cost sheet, job estimate work sheet, customer estimate, job cost summary sheet, and purchase journal. The First Business Guide Planning Calendar is also included. (NLA)

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Office of Business Development

THE OHIO STATE UNIVERSITY

CENTER ON EDUCATION AND TRAINING FOR EMPLOYMENT
THE OHIO STATE UNIVERSITY

Ohio Small Business Development Center

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FIRST BUSINESS GUIDE

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FIRST BUSINESS GUIDE

INTRODUCTION

The ***First Business Guide*** is a basic guide designed to assist first time business persons. The guide offers information as well as administrative and operational techniques for one person business enterprises. The information and the techniques discussed in the guide are directed at one person business operations that have low initial start-up costs, and low operational and overhead costs.

These one person businesses can be home-based businesses, pushcart vendors or have site locations outside the home. The types of businesses that one person can start up and operate are unlimited. Included in this guide is a list of potential types/ideas for one person/small businesses that you might consider starting. On the list, next to each potential business type/idea, is an estimated cost for starting up the business. The list also groups the business types into the general areas of Trades & Construction, Service, Retail, Food Service and Manufacturing.

There are five main sections or parts in the ***First Business Guide***. Each section can be used independently, however, it is suggested that you read the entire guide, as there is useful information in all the sections. The different sections in the guide are:

Business Administration
Cash & Budget Management and Accounting & Bookkeeping
Marketing & Sales
Estimation, Project Management & Scheduling
Merchandising & Inventory

Some of these sections may seem to assist only one or two of the business types on our list. For example, the Estimation, Project Management & Scheduling section may seem to work for Trade & Construction businesses; however, any and all Service and Food Service or Manufacturing businesses should include in its operations estimation, project management, and scheduling. A pushcart food vendor can also do catering work, which requires estimation, project or job management, and scheduling.

Another example of a section seeming to specialize on only one type of business is the Merchandising & Inventory section. This section will have information for retail businesses, however the Merchandising & Inventory section will also assist a manufacturing and/or service business. Along with retail businesses, most manufacturing, service, food service, trade and construction businesses will have an inventory of goods and supplies.

The sponsors and writers of this guide wish you and your new business enterprise much success.

The Ohio State University, Center on Education and Training for Employment (CETE) wishes to acknowledge and thank the principal author, Rodney M. Terminello, Jr., MBA. In addition, CETE and Mr. Terminello wish to thank the following persons for their participation in producing the material for the ***First Business Guide***: Lisa Perrin, U.S. SBA Deputy District Director; Jack E. Brown, Ohio SBDC State Director; and Dr. M. Catherine Ashmore, Entrepreneurship Program Director, CETE.

FIRST BUSINESS GUIDE

BUSINESS TYPES/IDEAS

I.	TRADES & CONSTRUCTION (HOME BASED)	
	WELDING	$2,500
	CARPENTRY	$2,500
	HANDYMAN/REPAIRMAN	$1,000
	PAINTER	$1,000
	PLUMBER	$2,500
	ELECTRICIAN	$2,500
	MECHANIC	$2,500
	SMALL MACHINE REPAIR	$5,000
II.	SERVICE (HOME BASED)	
	TAILOR	$1,000
	PET GROOMING	$1,000
	HOUSE SITTING	$ 500
	BOOKKEEPING	$1,000
	DELIVERY	$1,000
	WHOLESALE	$1,000
	MAIL ORDER/PHONE ORDER	$1,000
	MOVING, SHIPPING & PACKAGING	$1,000
	GARAGE SALE CONTRACTOR & EXPEDITOR	$ 500
	FRAMER FOR ARTWORK	$1,000
	PHOTOGRAPHY	$1,000
	SHOPPING SERVICE	$ 500
III.	RETAIL	
	FLEA MARKET & SINGLE BOOTH	$ 750
	GARAGE SALE BOOTH	$ 500
	KIOSK - INDOOR MALL & STREET VENDOR	$4,500
	PUSHCART - INDOOR MALL & STREET VENDOR	$5,000
	ARTS & CRAFTS, JEWELRY, CLOTHING, SOUVENIRS	
IV.	FOOD SERVICE	
	KIOSK - ONE-PERSON OPERATION	$10,000
	PUSHCART	$10,000
	WHOLESALE PACKAGING - TO RETAIL OUTLETS	$ 4,000
	CATERING - PARTIES, LUNCHES, DINNERS, CONSTRUCTION SITES	$10,000
V.	MANUFACTURING	
	TOOL & DIE MAKER	$10,000
	WELDING & FABRICATING	$10,000
	SUB-CONTRACTING	$ 7,500
	JOINT VENTURING	$ 7,500
	BASEMENT & GARAGE	$10,000
	CLOTHING MAKER	$ 5,000
	ARTESIANS	$ 5,000
	FURNITURE & CABINET MAKER	$ 5,000

FIRST BUSINESS GUIDE

BUSINESS ADMINISTRATION

INTRODUCTION

When operating your business enterprise there are certain general areas that you should manage and control. These areas make up the business administration part of your enterprise.

Business administration includes general operations, product or service distribution, product or service pricing, and compliance with government regulations. Each of these areas plays an important role in your business's profitability and success.

While these areas may seem like small chores and often like nuisances, your ability to manage and control these areas will benefit your business enterprise. The areas require your attention on a daily, weekly, or monthly basis, and with proper planning and scheduling, you will be able to minimize the inconvenience and your operating costs and maximize your profits.

GENERAL OPERATIONS

Every business enterprise has its own way or style of conducting its general operations and business administration. These different styles usually reflect the individual personality of the business owner. It is important to note that while you may have a unique style or the type of business you operate may have a special way of conducting business, you must remain organized and business-like in your dealings with your customers, associates, vendors/suppliers, and the various government agencies that affect your business.

BANKING

The Cash & Budget Management and Accounting & Bookkeeping section of this guide gives details relating to the role of a business checking account and how to use a business checking account. It is important to understand what a business checking account is and what the costs are for having a business checking account.

The business checking account is different from a personal checking account. Some of the differences are the size and format of the checks and the deposit slips; another is how you write and sign the checks. Other differences are the type of service charges the bank will assess your business account and how the bank sets up these service charges.

The bank usually requires additional documentation regarding your business when you open up your business account. For example, your bank may request a corporate resolution stating who the officers of the corporation are and who in the corporation is allowed to sign the business checks. In addition, the bank will ask you how many signatures are required on each check.

The business checking account is used strictly for the business and should never be used as a personal checking account. When properly used, the business checking account can act as a tool in your cash flow management and bookkeeping system.

The costs of a business checking account will vary from bank to bank. Some banks may offer interest bearing business accounts. One bank surveyed in Ohio only offered the interest bearing business checking accounts to businesses listed as sole proprietorships and not to businesses listed as corporations or partnerships. Each bank will vary in the amounts it will charge for servicing a business checking account. Here are some examples of the types of charges and dollar amounts you can expect for a business checking account:

Monthly account maintenance fee	- $ 2.75/month
Each check you write on the account	- $ 0.12/check
Each deposit you make into the account	- $ 0.17/deposit
Each check you include in the deposit	- $ 0.10/check

You may receive an earnings credit each month from the bank if your average monthly collected balance is above a stipulated dollar amount. This means if you are able to maintain a certain balance of collectable dollars in your account then the bank will calculate a certain percentage of this balance and apply this percentage to the service charges like those listed above. The surveyed bank in Ohio offered a 3% earnings credit.

It is important to maintain a good working relationship with your bank. One way to have a good relationship is to keep your business checking account in order and never overdraw the account. By establishing a good working relationship with your bank you may be able to secure loans and/or lines of credit for your business in the future. A good working relationship with your bank will also assist you in obtaining credit from vendors and suppliers.

TELEPHONE

The telephone can be one of the most productive tools in your business. How you use the telephone can increase or decrease the amount of profits made by your business enterprise.

When making calls to customers, vendors, suppliers and other business contacts and associates always speak clearly, professionally, and politely. Let the other person know you are glad that person is a customer or associate of your business. Always have a list of all the facts and information concerning the telephone call available during the call so that you can refer to it if necessary.

When receiving calls answer with the name of your business and perhaps state your own name. Always answer in a professional manner; never sound tired or annoyed. Train everyone who might answer your business phone with the proper way of answering the telephone. Train everyone who might answer your business phone with all the information you want to give to the customer or business associate calling.

When you are the only employee in your business, it can become difficult to answer the telephone and conduct your normal business routine. You may consider using a friend, family member, answering machine, an answering service, call forwarding or a paging device to answer calls. Usually customers and other business associates would rather talk to a person than a machine. The customer or business associate always wants to speak with someone who will relay messages to you or with someone who has some knowledge about your business. Cost may be a factor in deciding which method to use for handling phone calls when you are not available; however, the answering machine may be the least liked alternative for your customers to leave messages for you.

Whenever you can use the telephone instead of visiting your customers in person, you will save time and money. You can conduct most of your business with your business associates and your customers by properly using the telephone.

If your business is home based or you want to have your business phone in your home, you will have to consider the regulations and costs for having a business phone in your home. Each state varies in what the regulations are and what the costs are for a business phone in the home. Call your local phone company and find out what the regulations and costs are in your state.

In most states you must have a separate phone and line for business calls in your home. This is usually regulated by the Public Utilities Commission not the phone company. Depending on the state, you may be able to substitute a business phone line for your residential phone line.

Whether you have a business phone in your home or at another business site you will have certain costs for operating a business telephone. Here is a list of the types of services you can receive and the related dollar amounts you may have to pay for a business phone line (these costs do not include the actual phone unit):

New business phone line installation - $ 75.00
Substitute business phone line installation - $ 31.15
Approximate charge for a new phone outlet installation - $ 42.00
Monthly service charge - $ 26.15 for 73 calls per month
Per call charge over 73 calls per month - $ 0.08 per call per month
Monthly service charge for touch tone phone - $ 3.25
FCC access rate monthly charge for one phone line - $ 3.50
FCC access rate monthly charge per line for two or more phone lines - $ 4.16
911 emergency service monthly charge per phone line - $ 0.12
Call forwarding - $ 3.25 per month
Call waiting - $ 9.60 per month
Speed calling - $ 3.25 per month; $ 5.40 per month for two lines.
Business line transfer - $ 0.80 per month
Long distance calls are billed separately and are not included in any of the above charges.

The phone company surveyed for the charges, listed above, also offered a Small Business Package. The charges varied depending on which options you bought and how many phone lines and phone units you operated. Some of the services provided by this small business package are:

Speed calling
Call waiting
Call forwarding
Alternate answering
Call on hold
Intercom system
Conference calling
Call transfer
Call pick up

If you hire an answering service for your business venture, here are some of the services and related costs a typical answering service business will charge you:

$ 30.00 per month - To answer a common line for all businesses in the service.
$ 40.00 per month - To have your own business line.
(Both services are for 40 calls per month; over 40 calls cost $ 0.20 per call).
$ 12.00 per month for a mail box with a street address instead of a box number.
$ 2.00 per page for receiving Fax transmitions.
$ 2.00 to $ 4.00 per page, plus $ 0.50 per minute to send Fax transmitions.
$ 2.50 to $ 5.00 per page for typing.

If you decide to purchase an answering machine, you can expect to pay $ 34.97 to $ 149.97 at a reasonable merchandise store.

SCHEDULING DAY, WEEK, MONTH

Using a wall, pocket or desk calendar with space to schedule for each day is one of the most significant procedures in running a profitable business. Keeping track of tasks and appointments, can keep you on top of the daily, weekly, and monthly business administration duties necessary to operating your firm.

Some of the necessary items and tasks you need to schedule and plan for operating your business, including the average time each task should take, are:

- Paying your bills and loan payments (1 - 2 hours a week).
- Making bank deposits (1/2 - 1 hour per day).
- Balancing your check book (1 - 2 hours a month).
- Paying and/or depositing payroll, sales, and other taxes (1 - 2 hrs a month).
- Paying your payroll (1 - 2 hours a month).
- Reviewing and revising your cash budget (1 -2 hours a week).
- Making customer sales calls (minimum of 2 hours a day).
- Reviewing customer sales calls (1 - 2 hours a week).
- Making deliveries of products and services (depends on the customer demand).
- Inventorying supplies and merchandise (1 -2 hours a month).
- Ordering supplies and merchandise (1/2 - 1 hour a week).
- Receiving deliveries and/or making pick ups of supplies or merchandise (1 - 4 hours a week).
- Making and keeping appointments with customers, associates, and vendors/suppliers (depends on customer demand; 1 - 4 hours a week for associates & vendors/suppliers).
- Creating job and work schedules (1 - 2 hours a week).

OPENING & CLOSING

Opening and closing your business each day can be a routine matter; however, you should consider the security of your business. In addition, there are certain tasks you should do for operating your business in a professional manner that will benefit both you and your customer.

Your business enterprise should be as secure as possible. All your business's doors and windows should have adequate locks. Having a second or even a third set of keys at our home or with someone you trust is an advantage if you lose or misplace your business's keys. If you are operating a pushcart type of business, you should have a safe and secure storage facility for your cart.

If possible you should acquire insurance to cover losses from fire, burglary, etc. Most insurance agents specializing in business insurance will consult with you and give you a free estimate of needed coverages for your business and the related costs.

Securing cash and checks that you receive from customers should be a high priority for your business. Having a safe on the premises and/or making daily deposits at your bank will insure that you minimize your loss from theft, robbery, and burglary. If your business takes in a lot of cash, you should make frequent bank deposits.

You should never make deposits at the same time every day or at night after closing, if possible. You can never know when a potential robber will be watching your bank deposit schedules.

You should keep adequate cash at your business to make change for your cash customers. Having this cash in coins and small denominations of bills will add to the convenience of you and your customer.

When opening your business each day, make sure you turn on all the lights and machines needed to operate your business, whether you have customers or do not have customers waiting to enter. Likewise, at closing, be sure you turn off the lights and machines; however, some lights should be left on, both on the outside and inside of your place of business.

If you are using a telephone answering service or a telephone answering machine, make sure you check all your incoming calls and return them as soon as possible. Check your calendar for any and all tasks to be completed during this business day.

When closing, place all perishable items in properly approved storage containers at the proper temperatures. Place all valuable items, for example, display jewelry, in safe and secure containers each night before closing. If your cash register is easily seen from the outside, leave it empty and open for anyone to see.

MISCELLANEOUS

The following list will assist you in operating your business more efficiently and professionally. Measure the gain for your business enterprise against the expense of the item.

- Pencils, erasers, and pens
- Postage stamps
- Business cards
- Envelopes
- Note pads & notebooks
- Scissors, stapler, and staples
- Rubber stamp with your business's name to be placed on checks written out for purchases from your business.
- Rubber stamp with the deposit endorsement to be placed on the back of the checks you receive for purchases from your business.
- Paper clips and stamp pads
- Dictionary
- Address and telephone directory

REFERENCES

The following is a list of reference books, magazines and newspapers that will be helpful in finding vendors, suppliers, trade information about your industry, financial information, basic business news, and perhaps customers. (Other marketing methods are mentioned in the Marketing and Sales part of the Guide.)

You will find most of these reference books, magazines, and newspapers in your public library and the local college or university library (if the nearby college/university has a business department or business college/school, there may also be a business library). Many of the magazines and newspapers listed below can be obtained via a subscription.

WHEN USING A LIBRARY, ALWAYS CONSULT WITH THE LIBRARIAN FOR ADDITIONAL REFERENCE BOOKS, PUBLICATIONS AND MATERIALS.

Reference Books:

	REVIEWED
- The Thomas Register (product information for North American manufacturing companies)	_____
- Local and regional telephone books (business telephone listings)	_____
- Encyclopedia of Associations (listing of trade & business associations)	_____
- National Trade and Professional Associations of the U.S. (listing of trade & professional associations)	_____
- Harris Directories (listing of manufacturing companies)	_____
Ohio Industrial Directory	_____
Illinois Industrial Directory	_____
Indiana Industrial Directory	_____
Kentucky Industrial Directory	_____
Michigan Industrial Directory	_____
Missouri Industrial Directory	_____
Pennsylvania Industrial Directory	_____
West Virginia Manufacturing Directory	_____
- Brands and Their Companies (consumer products and their manufacturers)	_____
- Dun and Bradstreet's Million Dollar Directory (business information on companies with $500,000+ net worth)	_____
- Standard & Poor's Register of Corporations (important business facts on corporations with $1,000,000+ sales)	_____
- Standard & Poor's Industry Surveys (basic and current analysis of all major domestic industries)	_____

Reference Books continued:

REVIEWED

- Standard Directory of Advertisers _____
  (listing of companies that place national and regional advertising)
- Worldscope Financial and Service Company Profile _____
  (comparative financial investment data)
- Ward's Business Directory _____
  (listing of 85,000 companies' information by sales and industry activity)
- Your local Chamber of Commerce's membership directory _____
  (listing of local and regional businesses that are chamber members)
- Predicasts' F&S Index _____
  (national & international companies' product and industry information)
- Predicasts' Basebook _____
  (industries' statistical abstracts)
- Predicasts' Forecasts _____
  (abstracts of published forecasts for the US)
- RMA Annual Statement Studies _____
  (composite financial data on industries' lines of business)
- The US Industrial Outlook _____
  (US Department of Commerce economic predictions)
- US Department of Commerce Bureau of Census
  Economic Census _____
  (major source of facts about nature and structure of US economy)
- US Department of Commerce Bureau of Census
  Census of Population _____
  (social and economic characteristics of US residents)
- US Department of Commerce Bureau of Census
  County Business Patterns _____
  (annual series of state and national publications presenting data on the number of establishments, total employment and payroll on an establishment basis by county in each state)

National Publications:

	REVIEWED
- Business Week	_____
- INC.	_____
- Fortune	_____
- Forbes	_____
- Barron's	_____
- Wall Street Journal	_____
- New York Times	_____
- Success	_____
- Time	_____
- Newsweek	_____
- Christian Science Monitor	_____
- Washington Post	_____
- Los Angeles Times	_____
- Sales and Marketing Management	_____

Statewide Publications:

	REVIEWED
- Business First	_____
- Columbus Dispatch	_____
- Columbus Business Journal	_____
- Columbus Monthly	_____
- Ohio Magazine	_____
- Cleveland Plain Dealer	_____
- Cincinnati Enquirer	_____
- Toledo Blade	_____

Other resources of business information are:

- The nearest Small Business Development Center (SBDC), a U.S. SBA co-sponsored small business counseling and training center.
- In Ohio the SBDC has a One Stop Business Permit Center, which can provide basic information for start-up businesses, including state licenses and permits. **You can call toll free, 1-800-248-4040.**
- The Regional or District office of the United States Small Business Administration (U.S. SBA)
- The local office of SCORE or ACE, which are U.S. SBA sponsored business counselor volunteers.
- The US Department of Commerce Field Office.
- The local Chamber of Commerce office.
- The nearest office of The Better Business Bureau.
- The local government offices for permits, building and zoning, and sales taxes.
- The local city or county Economic or Industrial Development Service office.
- The local high school and/or community or junior college may have classes in small business and entrepreneurship. This local school will be able to provide some references and resources on business start-ups.

PRODUCT/SERVICE DISTRIBUTION

How you deliver your product or service to customers can be a simple or a complicated problem. Your biggest concern is the costs associated with the distribution of your product or service.

METHODS

If you have a fixed place business or operate a pushcart business, most or all of your customers will come to you for your product or service. Locating your place of business is then a very important part of distribution. The location question is discussed in the Marketing and Sales section this guide.

If you operate a service, trade & construction, or manufacturing business, you must be able to deliver your service or product to your customers. There are many methods for delivery of products and services.

Using your own car or truck is the best method for delivering your product or service and is considered part of doing business. The mileage and/or the associated costs (fuel, oil, repairs and maintenance) are business expenses and should be accounted for in your budget and bookkeeping.

If you are operating a food service business, you need to investigate the proper methods and containers that will be approved for either delivery in your own vehicle or operating a pushcart. Your local city, county, and state board of health have the laws and regulations for food preparation, handling and delivery.

If your products must travel further or are too large for you to deliver with your own vehicle, you must investigate other methods of transportation. Some of these methods are:

- Local trucking firms
- Regional or national trucking firms
- Local or national delivery services
- Taxi or bus companies
- Friends and/or relatives with larger vehicles
- Rental car or truck by the day/week/month

Be sure you understand the transportation charges associated with transporting your products and compare charges before making your choice of delivery services.

Another concern is volume versus customer service. Customer service should always remain as the top priority for your business. You must go out of your way to deliver the product or service to your customer.

When analyzing the methods of distribution, always consider the customer; however, if the customer will be satisfied with a delivery in a day or two, or when you usually make your deliveries, take advantage of this opportunity and save yourself the expense of the one time special delivery. Take advantage of delivering on a volume basis, especially if you are using an outside delivery service.

If you are making the deliveries yourself, make sure your customer knows when you will make the delivery. Schedule your deliveries when your business will suffer the least from your being absent from your store, shop, or phone. Try to schedule someone to cover for you while you are out making the deliveries or you are providing your service.

If you develop a regular day and/or time of day that you make deliveries or are out doing your service work or conducting estimates, you must have some means of communicating with your customers. An answering machine or service, a paging device, or perhaps a relative or friend could fill in during your absence. If possible you should make every attempt to notify your current customers when you will be available to do business with them and that if you are not immediately available, you will contact them as quickly and as soon as possible.

COSTS

As mentioned above you should weigh the costs of every possible method of delivery of your product or service. Be sure you understand all the costs associated with private carriers or delivery services.

Some of the cost variables are:

- Size of the package
- Dimensions of the package
- Weight of the package
- Distance the package is to be delivered
- Number of packages to be delivered

Save all the bills for transportation costs, as they are part of the operating expenses of your business.

Be sure you know when the carrier or delivery service will pick up and deliver your products and inform your customer of this schedule.

When using your own vehicle for delivering your service or products to your customer, be sure you keep accurate records of:

- Mileage while conducting your business
- Fuel & oil costs (obtain receipts)
- Repairs & maintenance costs (obtain receipts)

These records and receipts will allow you to charge the costs to your business.

Although you may be your only employee, you should keep track of your time when making deliveries or traveling to your customer to conduct a service. Your time is worth money and is a cost to your business; if possible you should include this time in your billing to the customer. If you do not bill your customer for this time, you should track the time; you may decide later to use a delivery service or hire a less expensive part-time person to handle deliveries.

PRODUCT/SERVICE PRICING

Developing a pricing schedule for your products can be a difficult task. There are many formulas and methods for pricing your products or services.

The important issues are:

- How much will your customer be willing to pay for your service or product?

- Will you make a profit from your selling price?

MARKET PRICING

You must be competitive in the pricing of your service and products. Often when you are just starting up your business you will ask a price lower than the competition so that you can enter into the marketplace.

The key question is, what will your customers be willing to pay for your product or service?

Any product or service that is similar to the products and services that you are offering should be researched for price. Information obtained in your marketing research will be helpful in understanding what prices are being charged for products and services in your industry.

You should be able to call and then find out from local competition what they are charging for their services and products. Other methods of marketing research are discussed in the Marketing and Sales section of the guide.

When you have found out what the competition is charging and what the standard prices for your service or products are, you must decide what you will charge for your services and products. Some questions to ask yourself are:

- Is my quality the same, better, or worse than the standard for my service or product?
- Can I enter the marketplace at the standard prices or should I lower my prices at first and then slowly raise them as I obtain more customers?
- WILL I MAKE A PROFIT WITH THESE PRICES?

ANALYZING COSTS & MARK UPS

To answer whether you will make a profit with the prices you will charge for your services and products you must analyze the costs you will incur in making and delivering your products and services.

If you are selling already-manufactured items or providing a service already known by your customers, there may be industry standard costs to use for determining your costs. In addition, many manufacturers and service providers have suggested sales prices for products and services similar to the products and services you are providing to your customers.

When determining your costs you must consider:

- Labor costs
- Material costs
- Overhead costs

If you are the only person in your business enterprise, then you must consider your labor cost. A reasonable way of determining this cost is, what would your wages be if you were to perform this service or manufacture this product for someone else?

To this wage you must add on the payroll taxes for social security, workers' compensation, insurance, and unemployment tax contributions.

Material costs include the actual cost of any and all materials you use in the delivery of your service and manufacture of your products. Included in these costs should be any sales tax you had to pay (in most states, if you are reselling a product, you can become sales tax exempt), any and all freight to your business, and freight you had to pay to ship to your customer.

When possible, you should add in a waste factor for materials, especially if you are manufacturing products.

Overhead costs to consider are:

	ESTIMATED DOLLARS
- Rent	$_____
- Utilities	$_____
- Telephone	$_____
- Supplies	$_____
- Outside services	$_____
- Insurance	$_____
- Loan payments	$_____
- Taxes	$_____
- Advertising & sales costs	$_____
- Equipment rentals & costs	$_____
- Car and/or truck expenses	$_____

When you have calculated your costs for labor, material, and overhead, you should develop a price for your service and product known as a mark-up. Again your marketing research may have given you information on standard mark-ups on your service and products.

The mark up of your costs to determine a price for your product or service should be competitive and still allow you to make a reasonable profit.

The final price should be one that your customers are willing to pay, that will cover your costs of doing business, and give you a profit.

GOVERNMENT REGULATIONS

When beginning your business enterprise you must be aware of the licenses, permits, and tax obligations that you will be responsible for obtaining and paying. Much of the information concerning these licenses, permits, and taxes can be obtained by contacting your local Small Business Development Center sub-center (SBDC), the district or regional office of the Small Business Administration (SBA), or the local office of SCORE.

In Ohio you can call the One Stop Business Permit Center at a toll-free number to obtain much of this information. The toll-free number is 1-800-248-4040.

PERMITS & LICENSES

Federal

Although there are no regular federal permits or licenses needed for most small businesses, if you want to contract with a federal agency, you will have to qualify yourself as a legitimate supplier or contractor before you can bid and conduct business. In addition, if you deal in areas that are regulated by the federal government, for example, communications, agriculture, food & drugs, or medical related products, environmentally hazardous materials, or interstate commerce, you must meet federal licensing requirements.

It is important to investigate any federal agency that could be regulating your industry **before** you open up your business enterprise.

State

There are similar state regulations for operating businesses regardless of the size of the business in most states. Many states require licensing for construction and trade businesses and individuals. Many states also have licensing requirements for food preparation, handling, and delivery, as well as transportation and agriculture.

Your state may require you to register your business concern or company as a corporation, sole proprietorship, or some form of a partnership.

It is important to contact the state agency that might require permits and licenses and that may regulate your industry.

County & Local

Most county and/or city government agencies require you to obtain a basic business or vendor's license to operate within the county or city limits. In addition, the county or city may have requirements for commercial, industrial and residential building zones. These governments may have additional requirements concerning construction and trade as well as food related businesses.

TAXES

Federal

One of the first steps in opening your business enterprise will be to acquire a federal tax identification number. Your own social security number can be used as the identification number. This process makes you liable for federal unemployment, withholding, social security, and corporation/company income tax.

Contact your local Internal Revenue Service office to acquire the identification number and receive information about the federal tax process.

State

In addition to contacting the Internal Revenue Service, you must contact the state revenue or tax office, and/or the state corporation and/or secretary of state office. From them, you will get information concerning registering your business in your state and starting the process for dealing with taxes for unemployment, corporation/company income, withholding, and sales.

You must also contact the state agency responsible for workers or workmans' compensation to see if your type or size of business is responsible for this insurance coverage.

County/Local

Many counties and cities also have requirements for withholding and sales taxes. You must contact the county and city offices for information regarding these tax regulations. Many counties and cities have property taxes for equipment, machinery, inventory, and vehicles being used for business purposes.

SUMMARY

Your company may have a unique way of conducting business due to your personality or to the special nature of your industry. It is important to note that there are certain professional and businesslike ways of running your business enterprise.

Being aware of your tasks, keeping a schedule for your tasks, responding to your customers' needs, distributing your services and products effectively and cheaply, keeping your prices competitive, and staying on top of your permits, licenses and tax obligations will allow you to operate your business in a profitable manner.

To help you with your business administration efforts, ask yourself the following questions.

1) DID I WRITE IN MY CALENDAR ALL THE THINGS I NEED TO DO?

2) DID I READ MY TASKS FROM MY CALENDAR AND COMPLETE THESE TASKS?

3) DID I GET ALL MY MESSAGES AND DID I RESPOND TO THESE CALLS?

4) DID I GET ALL MY ORDERS DELIVERED ON TIME AND AT THE LOWEST COST POSSIBLE?

5) DID I PROVIDE ALL MY SERVICES TO MY SCHEDULED CUSTOMERS TODAY?

6) DID I PAY ALL MY BILLS, TAXES, AND OTHER OBLIGATIONS TODAY?

7) DID I RESPOND TO ANY OF MY MAIL THAT I NEEDED TO?

8) AM I AWARE OF ALL THE CURRENT REGULATIONS CONCERNING THE OPERATION OF MY BUSINESS?

9) DID I DO ALL MY BOOKKEEPING CHORES TODAY?

FIRST BUSINESS GUIDE

CASH & BUDGET MANAGEMENT
ACCOUNTING & BOOKKEEPING

INTRODUCTION

The most critical aspect of any business is the ability to manage the cash coming into and going out of the company. This is true of any business starting with the largest corporation in the world, General Motors Corporation, and ending with the smallest business enterprise, the one-person home-based firm.

The ability to manage the cash flow of the business enterprise is vital to the survival, as well as the growth and profitability of the enterprise. Regardless of how well the business produces or markets its product or its service, if the business **cannot** pay its electric bill, rent, suppliers or vendors, payroll, taxes, and other expenses, the business enterprise will not stay open and benefit you.

Staying on top of the cash situation in your business on a daily basis allows you to control your business's profitability and your future in the business venture. Being aware of your enterprise's cash position allows you to anticipate and plan for most financial situations that you might encounter.

CASH BUDGETING

The first step in cash management is to prepare a budget. You may have the first parts of a budget already in place if you have prepared financial projections for your business enterprise or developed a list of items needed to open and operate your enterprise, such as equipment, inventory and supplies.

SALES REVENUES/CASH IN

When preparing a budget you must predict sales revenues. These predictions start with estimating the daily sales. The daily sales vary depending on the type of business you are operating, its location, the time of year, and the number of hours in the day you are open. Conducting research on the industry in which your business enterprise is found will be very helpful in predicting sales revenues.

Since most financial aspects relating to the business world operate on a monthly basis (checking account statements, sales and payroll taxes, vendors' bills, and credit sales, etc.), the next step in the budgeting process is to convert daily predictions into monthly sales revenue predictions. The monthly predictions should be for an entire year starting with the first month you plan on opening your business.

The next step in the budgeting process is to determine when sales actually become cash entering your business enterprise. If you are going to operate a cash only business, for example, a pushcart selling hot dogs on the street, then every sale means immediate cash entering your business. If you take credit cards or accept checks, you will not receive cash credit until you take the credit card slips and checks to the bank and deposit them into your checking account.

It is important to note that you will pay the bank and the credit card company fees for processing the checks and credit card slips. Therefore, when you develop your budget, you must deduct these fees as a reduction of the cash received or as an expense. It is equally important to note that occasionally you will receive a check that will be returned to you for insufficient funds. You will then have to collect the cash from your customer. If you are planning to accept checks, you must establish a strong collection policy regarding checks that come back to you as unpaid.

If you are operating a business that will extend credit, such as a delivery service or a small parts manufacturer sending out monthly billings, you must determine when you will actually receive the payments for your services or products. While your invoices may state, "Payment is Due in 30 Days", your customer may not send the payment until thirty days has elapsed or perhaps later than thirty days. If your predictions for your budget reflect that your sales were made in month 1, you must budget for 80% of the payments in month 2 and 20% of your payments in month 3, for example. This process is called "aging your accounts receivables." This aging process is critical to your cash position and you must be aware that, although you made the sale in one month, the actual cash from that sale may not enter your checking account until 45 to 60 days later.

OPERATING EXPENSES/CASH OUT

After predicting sales revenues, you must establish the expenses and/or costs of operating your business enterprise. Your first set of expenses will be start-up costs. The start-up costs include utility and phone deposits, equipment purchases, supplies, beginning inventory items, rental deposits, and a variety of other purchases and down payments. Usually these start-up costs must be paid in advance of opening your business or within the first thirty days of operation. Therefore, you must list these start-up costs as cash expenses on your budget in the first month.

The second set of expenses will be your monthly operating costs. Like your sales revenues, you must predict the costs your business enterprise will incur while making the product or delivering the service. Examples of these monthly costs are rent, utilities, payroll, payroll taxes (social security, unemployment contributions), workers' compensation and liability insurance, inventory and supplies, and other products, fees, and services. These monthly costs must be listed on your budget in the month in which you incurred these expenses and listed as cash out in the month you will be expected to pay for these costs. This process is called "aging accounts payables." Inventory will probably be paid for at the time of delivery or in advance. Because, as a new business, you will not have any credit history as a trade account for your suppliers/vendors.

If you are a pushcart selling food or non-food items, you may be purchasing your inventory on daily or weekly basis. If you are a small manufacturing, trade, or construction business, you may purchase your inventory on a monthly, weekly, by job, or special order basis. Whatever the process for ordering and receiving your inventory, you must plan your cash budget for inventory purchases according to the payment schedule set forth by your vendor and supplier.

In addition to the monthly cash expenses mentioned above, there other cash out-flows that your business will encounter. An example is the fee that your bank and/or credit card company charges you for processing the non-cash items in your deposits, i.e., checks and credit card slips. Other examples include other bank service charges, credit card company membership fees, and maintenance fees from the owner of the mall, or shopping center in which your business is located. The most critical example of a cash out-flow is a loan payment, including interest, that you may have to make.

Whenever you are considering items that will cost your business enterprise money, be sure that you completely understand all the costs associated with these items and when these costs must be paid. When you determine the costs and the associated payment terms of the items, you must include the actual cash out-flow in your budget.

Once you have completed the budget, you will know how much money will be needed to open and operate your business enterprise. You will also have a measuring device that will enable you to monitor and control how and when you spend the dollars entering your business. (The following page gives examples of the sales revenue part and the operating expenses part of a cash budget; and a complete cash budget.)

CASH BUDGET SALES REVENUE

	Start Up	Month One	Month Two	Month Three	Month Four	Month Five
Cash Sales	0	250	250	300	300	400
Credit Sales	0	500	600	700	800	1000
Total Sales	0	750	850	1000	1100	1400
Cash In						
Cash Sales	0	250	250	300	300	400
Credit Sales	0	0	400	580	680	780
Total Cash In	0	250	650	880	980	1180

CASH BUDGET OPERATING EXPENSES

	Start Up	Month One	Month Two	Month Three	Month Four	Month Five
Inventory Purchase	1250	600	650	650	700	700
Rent	0	200	200	200	200	200
Utilities & Telephone	0	50	50	75	75	75
Supplies	400	100	50	50	50	50
Payroll	0	0	250	300	400	400
Payroll Taxes	0	0	36	44	58	58
Insurance	1000	0	0	250	0	0
Equipment	2500	500	0	0	0	0
Misc. Dep., Etc.	1500	50	50	50	50	50
Total Costs	6650	1500	1286	1619	1533	1533
Cash Out						
Inventory	1000	850	650	650	700	700
Rent	0	200	200	200	200	200
Utilities & Telephone	0	0	50	50	75	75
Supplies	400	100	50	50	50	50
Payroll	0	0	250	300	400	400
Payroll Taxes	0	0	0	0	138	0
Insurance	1000	0	0	250	0	0
Equipment	1500	1500	0	0	0	0
Miscellaneous	1500	50	50	50	50	50
Loan Payment	0	250	250	250	250	250
Total Cash Out	5400	2950	1500	1800	1863	1725

CASH BUDGET

	Start Up	Month One	Month Two	Month Three	Month Four	Month Five
Total Sales	0	750	850	1000	1100	1400
Cash In	0	250	650	880	980	1180
Purchase Inven. & Eq.	3750	1100	650	650	700	700
Operating Expenses	2900	400	636	969	833	833
Total Costs	6650	1500	1286	1619	1533	1533
Cash Out	5400	2950	1500	1800	1863	1725
Net Cash Position	<5400>	<8100>	<8950>	<9870>	<10753>	<11298>

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BOOKKEEPING

The second step in cash management is the monitoring of the cash into and cash out of the business. This process is known as bookkeeping and/or record keeping.

Included in your materials is a One-Write Bookkeeping system. This system will allow you to make deposits from your sales revenues and other income, write out checks for business expenses/costs, and maintain the control of your cash flow at the same time. The One-Write Bookkeeping system allows you to manage your enterprise's cash with one document.

MONITORING CASH IN

The last page of the One-Write Bookkeeping system is titled "Sales & Cash Receipts Journal". On this page you are able to keep the records and monitor the cash entering your business for a given month on a daily basis.

The first column on the left, marked "Date," is for the day in the month on which the sale was made and/or the cash was received for the sale. If you are a cash only business, the date would be for the day on which you received cash for the sales made on that day. If you make a sale on a credit basis the date is for the day you made the sale.

The second column, marked "Name," is for the name of the customer making the purchase from your business. If you are a cash only business, you would write in "Daily Cash Sales". If you make credit sales, then you would enter each customer's name or write "Daily Credit Sales."

The third column, marked "Description," is for information you wish to note concerning sales made to the customer listed in column 2. If you are a cash only business, you may choose not to use this column. If you are making credit sales, you would write in what the terms are concerning payment for the purchase. This will allow you to monitor your cash in flow.

The next five columns, marked from left to right "1," "2," "3," "4," and "5," are for the dollar amounts received from your business's sales. The five columns allow you to divide the sales dollars received into different sales categories or types of items your company sells. For example, if you are a food pushcart business, you might divide your cash sales into hot dogs, cold sandwiches, and soda pop. If your business is making credit sales you may want to use these columns in other ways, such as to note in one column what the sales dollar amount was when the credit sale was made; in the next column if a discount was given and that dollar amount; and in a third column the actual amount of cash that was received at a later date from the customer for the credit sale.

At the bottom of the "Sales & Cash Receipts Journal," you can total the sales dollars and cash dollars from the entries made on the specific page, keep a running total from previous pages, and keep a running total of all sales for the month.

When you receive cash and have noted this receipt on the "Sales & Cash Receipts Journal," make a written entry in the column marked "Deposits" on the second page of the One-Write Bookkeeping system, marked "Disbursements Journal." This allows you to monitor your cash ins immediately and to make comparisons to your cash outs.

MONITORING CASH OUT

The first four pages of the One-Write Bookkeeping system is marked "Disbursements Journal." This section enables you to monitor the cash leaving your business by the actual expense and at the same time allows you to write the check to pay the expense. In addition, the Disbursements Journal allows you to monitor your actual cash position on any given day by having a running bank balance. This running bank balance is the net of or difference between your deposits and the checks you have written.

When you write a check to the supplier, vendor, service provider, or utility company, for example, the shaded area of the check actually imprints the date, the name of the vendor, a description of the bill being paid, the check number, and the dollar amount of the check.

Starting with the columns marked "1" through "23," you can record the specific expense/cost being paid for with the check you have just written. These columns should be labeled exactly the same as the specific expense/cost items you have written on your budget.

Once you have written a check you must enter the exact dollar amount in one or more of the 23 columns you labeled for the expense/cost. For example, when you pay your business's rent, you will write out a check for $500 and you will enter $500 in the column labeled rent. Another example is when you purchase inventory and write a check for $1,000, enter $950 under the column labeled purchases/inventory and $50 under the column labeled freight.

Any time you enter a deposit from the Sales & Cash Receipts Journal and/or write a check and make the corresponding entry in one of the labeled columns in the Disbursements Journal, you can calculate your bank balance. When you enter this calculation in the column marked "Bank Balance," you immediately know your business's cash position.

In addition to knowing your business's cash positon you can measure your company's sales revenues, the cash-ins you collected, and the cash-outs made against predictions listed on your budget. You will be able to measure sales revenues, from the Sales & Cash Receipts Journal, to sales revenues predicted on your budget.

The totals for cash received, listed on the Sales & Cash Receipts Journal, allows you to measure actual cash-ins against your predicted cash-ins on your budget. You can also measure actual cash-ins against your budgeted cash-ins by comparing your deposits listed in the Deposits column in the Disbursements Journal to estimated cash-ins listed on your budget.

By totaling each of the 23 columns on the Disbursements Journal you can match the actual dollars your company spent, by individual expense/cost item, to the predictions/estimations you made on your budget for the same expense/cost items.

SUMMARY

Knowing your current cash position through the One-Write Bookkeeping system gives you the ability to make immediate adjustments to your company's cash position. Having a budget to compare your predictions/estimations of sales revenues, cash-ins, and cash-outs to the actual sales revenues, cash-ins, and cash-outs allows you to make specific adjustments to the critical areas of your business that are not meeting your expectations.

If your sales revenues are not in the range you predicted or are lower than expected, you know that you have to redirect your marketing efforts to other sales lines or change your marketing strategy to enable you to increase your company's sales levels.

If your cash-ins are slower than you estimated, you have to direct your efforts towards collections.

If your expenses are higher than expected, you will have to reduce spending or obtain additional funding to meet your business's obligations.

It is important to note that there are certain PITFALLS that can lead to major PROBLEMS or DISASTERS concerning cash management.

One of these pitfalls is the net paycheck versus the entire payroll expense. If you have an employee or pay yourself a salary, you are obligated by law to withhold federal, state, and sometimes local income and social security taxes, as well as match the social security taxes. You usually do not send the appropriate government agency, the withheld taxes until one to three months after you paid the employee or yourself. This may give you the sense that you have extra cash in your checking account. It would be wise to reallocate the withheld taxes from your checking account to another acount so that you will be able to make the tax payments when they are due. The federal, state, and local tax authorities can close your business immediately until the tax is paid.

Another pitfall is the collected sales taxes from sales of your products and/or services. Although you may have to collect state and local sales taxes, these are not cash dollars that can be used by your business for purposes other than forwarding to the proper government agency. You may have 30 to 45 days or more to send in those sales tax dollars; do not fall into the trap of thinking that you have extra cash. State and local sales tax agencies also have the ability to close your business for late or non payment of sales tax dollars.

Maintaining good relations with your bank, lenders, suppliers, vendors and other service providers may enable you to work through negative cash positions that will develop from time to time in the operation of your business. You may be able to secure additional cash from your bank and/or other lender when needed. Having good relations with your suppliers, vendors, and other service providers may give you a chance and/or time to develop a more even or positive cash position.

Finally, never underestimate the importance of managing your cash position on a daily or frequent and regular basis. The profitability of your business enterprise will depend on your ability to successfully manage the business's cash.

To help you make the right cash decisions and to assist you in monitoring your cash, you should ask yourself the following questions.

QUESTIONS EACH DAY

1) DO MY CASH SALES BALANCE WITH MY ACTUAL CASH ON HAND?
2) DO MY CHECKS & CREDIT CARD SLIPS MATCH MY SALES RECEIPTS/TICKETS?
3) DID I ENTER ALL MY CHECKS PROPERLY IN MY ONE-WRITE SYSTEM?
4) DID I ENTER ALL MY SALES INTO MY ONE-WRITE SYSTEM?
5) DID I MAKE MY BANK DEPOSIT AND ENTER THE DEPOSIT INTO MY ONE-WRITE SYSTEM?

QUESTIONS EACH WEEK

1) HOW DID MY SALES COMPARE TO MY PREDICTIONS ON MY BUDGET?
2) DID MY EXPENSES MATCH UP WITH MY PREDICTIONS ON MY BUDGET?
3) WHAT IS MY CURRENT CASH POSITION AND WHAT DO I NEED TO DO TO IMPROVE MY CASH POSITION NOW?
4) DID I PAY ALL MY BILLS AND TAXES DUE THIS WEEK?

QUESTIONS EACH MONTH

1) DID MY SALES, EXPENSE, AND CASH PREDICTIONS MATCH MY PREDICTIONS FOR THE MONTH?
2) IF NOT, WHAT AM I GOING TO DO TO CORRECT MY CURRENT CASH POSITION?
3) DO I NEED TO REVISE MY SALES, EXPENSE, AND CASH BUDGETS?
4) CAN I IMPROVE MY SALES, CUT MY EXPENSES OR DO I NEED TO INCREASE MY CASH THROUGH INVESTMENT OR A LOAN?
5) DO I NEED TO CONTACT ANY OF MY SUPPLIERS OR VENDORS REGARDING PAYMENTS OR SHIPMENTS?

FIRST BUSINESS GUIDE

MARKETING & SALES

INTRODUCTION

The key to any successful business is based on the ability of the company to market its product(s) and/or service(s). You must be able to find, contact, and approach your customers. Finally, you will have to sell your products and services to that customer.

YOU ARE YOUR COMPANY'S BEST SALESPERSON!!!

The marketing and sales skills you have will make your business a successful and profitable venture. You are the person in your company who knows best how the products and services work and how the customer can use these products and services most effectively.

MARKETING RESEARCH

To start marketing your products and services, ask yourself the following questions:

How good your is your idea for your product(s) and/or service(s)?

Do your potential customers know how good your idea is?

Where are these customers located, and how can you reach them?

How much will they pay for your product and service?

Is there any competition? If so, who is the competition and where are they located?

Are there any local, state and federal regulations concerning your business operations that may limit your ability to sell your product and service?

TO ANSWER THESE QUESTIONS YOU MUST DO SOME MARKETING RESEARCH.

INDUSTRY

The initial part of your research should deal with the industry your company operates. For example, if you are a pushcart food vendor, then you would fall in the food service industry. If you are a carpenter, then you would be in the construction industry.

By researching your industry, you will obtain the following types of useful information:

- Current trends in your customers' buying habits.
- Current products and services being offered to customers.
- Suppliers of equipment and materials for your industry.
- Current sales and profits being made by other companies in your industry.
- Competitors and where they are located.
- Marketing strategies being used by other companies in your industry.
- The newest tools, materials, and equipment developed by and for your industry.

This information will give you some basic marketing skills in the areas of:

- Pricing your products and services.
- Sales techniques to use with your customers.
- The best selling products and services to offer your customers.
- Advantages you may have over your competitors and those the competitors have over you.
- Comparing your products and services to others in the industry.

The information gathered by you in your industry research will also help in your budgeting process and in preparing a start-up list of tools, equipment, and materials. In addition, you will have information on where you might locate your business.

Information about your industry is available through many resources. Some examples of these resources are:

- Public Libraries
  All libraries have some information regarding business. In larger libraries, there may be a business division or section. You will find directories, reference materials, and books that will assist you in marketing and industry research. **(Many reference books and publications are listed in the Business Administration part of this Guide.)**

- College or University Libraries
  Colleges or universities may have a separate library for business; at least they will have a business section in the main campus library. They will have many of the same types of materials and books a public library has, probably more. **(Many reference books and publications are listed in the Business Administration part of this Guide.)**

- Associations
  Associations related to your industry will have much information that you can use. Attending local, regional and national conventions and meetings will also prove to beneficial. A list of associations can be found in the reference section of most libraries. Ask the librarian for help.

- Franchisors
  If your industry does franchising, write to major franchisors for industry information.

CUSTOMERS

Knowing who your customers are, where they are located, what they will buy, and how much will they spend are the most important concerns for you and your business enterprise. Your experience as a consumer may be valuable in determining the answers to these questions. However, doing research on potential customers and their buying habits can provide you with the right approach to selling your products and services.

Your research into the customers should answer the following questions:

- Who are they?
- Where are they?
- What are their needs?
- How much will they buy?
- How much will they pay?

Much of the research you conducted on your industry will provide you with some answers to these questions. Your own experience and the experience of relatives, friends, and associates will also provide you with answers.

You can never know too much about your customers! Even after you start your business enterprise you can never stop learning about your customers and their buying habits. Knowing your customers and being able to sell them your products and services are the keys to your success.

Even though you are aware of your customers and their buying habits through industry research and personal experience, you should continue answering the five questions listed above. You can find out more about your customers by:

- Obtaining traffic counts and patterns from your local city or county planning commission or board.
- Obtaining market survey information from the national association(s) in your industry or at some of the local and college libraries in your area.
- Conducting field observations of your customers at your competitors' places of business. Watching what they buy, how much they buy, how much they spend, what days of the week they shop or conduct their business with your industry will help you in learning about your customers.
- Getting a full or parttime job in your chosen industry and work first hand with the customers.
- Talking with your competitors on a casual and friendly basis. If your local competiton is not cooperative, call or visit similar businesses outside of your potential market area.
- Talking with your potential suppliers and vendors about your customers.

YOU CAN NEVER LEARN ENOUGH ABOUT YOUR CUSTOMERS, BEFORE OR AFTER YOU OPEN UP YOUR BUSINESS.

COMPETITION

Knowing your competition can be as valuable as knowing your customers. The more information you have on your competitors the more you will know about the best ways to satisfy your customers' needs. This information will allow you to keep pace with your competitors and be one of the leaders in your marketing area.

Many of the same tactics for obtaining information about your industry and about your customers applies in obtaining information about your competitors. While you conduct your industry and customer research, keep in mind that you want to find out about your competition as well.

On the following pages you will find an example of a completed Competitors Information Sheet (CIS) and a blank CIS. This CIS can act as a tool for tracking your competition.

You can obtain marketing information from a variety of sources. Some other key sources are the local Small Business Development Center (SBDC) office, the local United States Small Business Administration's (SBA) SCORE chapters and the regional and/or district offices of the SBA.

In Ohio, you can obtain some basic marketing information by calling the SBDC's One-Stop Business Permit Center at 1-800-248-4040.

COMPETITORS INFORMATION SHEET

NAME	SALES VOLUME	GROWTH RATE & POTENTIAL	STRENGTHS	WEAKNESSES
ABC Co.	$100,000	10% / YEAR	LOCATION	SMALL SELECTION
		GOOD		
Bob's	$150,000	3% / YEAR	OWNER	LIMITED CUSTOMER
		AVERAGE		BASE
XYZ CORP.	$ 75,000	50% / YEAR	NEW BUSINESS	NEW BUSINESS
		EXCELLENT		
ROSE Co.	$250,000	5% / YEAR	ESTABLISHED	FAMILY RUN
		EXCELLENT		
ACME	$200,000	0% / YEAR	LOCATION	MANAGEMENT
		POOR		
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COMPETITORS INFORMATION SHEET

NAME	SALES VOLUME	GROWTH RATE & POTENTIAL	STRENGTHS	WEAKNESSES

SELLING

Once you have completed your market research, the next step is selling your product(s) and service(s) to your potential customers. You must develop a marketing strategy or plan and then implement the plan.

REMEMBER, YOU ARE YOUR COMPANY'S BEST SALESPERSON.

MARKETPLACE

You must determine where your marketplace is. Then you must determine how much of this marketplace will actually buy your product(s) and service(s). These are two hard questions to decide. If you are to make a success of your business enterprise, you will have to make these decisions.

Since this is your first business, the marketplace is most likely located in your town, city, section, or region of the state. Therefore, you should concentrate your customer, industry, and competition research on the specific area you have chosen for your marketplace. Once you have targeted your marketplace, you must develop a strategy for selling in the marketplace. Your strategy may depend on whether you are operating out of your home or whether you will have a business location outside the home, for example a pushcart business.

If you are going to locate your business outside your home, your research, and observations of your competiton will be valuable regarding where to locate your business. Choosing a site just because of low rent or purchase price could be harmful. Remember, there is a reason why shopping malls demand higher rents, it is because these malls have the highest traffic counts of shoppers.

If you are going to operate your business from your home, you must determine what is the best way to sell to your customers. Then you must decide how to get the products and services to your customers.

OUTREACH & ADVERTISING

As part of the First Business Guide program, you will be receiving some training and guidance and computer support to develop a brochure and/or flyers for the purpose of reaching your customers through advertising. The computer support will be through a desk top publishing program being offered by the SBDC.

Even with this support you will find advertising a very costly area for your business and often wonder if the money was well spent. Distributing the brochures or flyers is one of these high costs.

One of the less expensive means for distributing brochures or flyers is to use young people on evenings and weekends to place the flyers in shopping malls, retail stores, on cars in parking lots, on doors of houses and on bulletin boards in supermarkets, banks and schools.

You should consider placing advertisements in your local newspaper and yellow pages directory. You may also wish to consider radio advertising. Again, all of these types of advertising may be costly and you should judge carefully what you will receive for the dollars you will spend.

Some inexpensive means of advertising are:

- Placing advertisements in local shopping guides or circulars.
- Printing business cards and leaving them with friends, associates and places of business that your type of customer might frequent. For example, if you are a tradesperson doing repair work, you would leave business cards at hardware stores or lumber yards.
- Advertising through articles of interest written up by your local newspaper, especially if your business is brand new or unique in your market area. This form of advertising may be free.

PERSONAL SELLING

REMEMBER, YOU ARE YOUR COMPANY'S BEST SALESPERSON!!!

Although advertising may help the marketing of your business's products and services, **personal selling is one of the major ways you are going to get your business enterprise off the ground.** Whether or not you have started your business, you must be able to contact and constantly recontact and interact with your customers.

You must always have a positive personality and a professional bearing with your customers. You must believe in your products and services and be able to convey this feeling to your customers.

You must learn to deal with the rejection of your products and services. You will have to learn to go on and try selling to other potential customers that you know will be interested in buying your products and services.

One way of staying organized in your selling approach is to use a planned method of approaching and contacting your potential customers. This planned method is to use a "Weekly Sales Calls" form and a "Weekly Sales Report" form.

The Weekly Sales Calls allows you to schedule a week's worth of sales calls you will make to your customers, either by phone, by mail and/or in person. The form lets you set up the following:

- The date of the sales call
- The company or organization you are calling
- The person you are calling
- The position this person has in the company or organization
- The phone number
- The status of the call (First time, follow up, introduction of a new product or service)

On the following pages you will find an example of a completed Weekly Sales Calls form and a blank Weekly Sales Calls form.

WEEKLY SALES CALLS

Week Ending 1/26/91

DATE	ORGANIZATION	CONTACT	POSITION	PHONE #	CALL STATUS
1/20	MILLER CO.	PETE MILLER	OWNER	555-1212	INITIAL
1/21	NORWORTH CORP.	ANNE SMITH	PURCHASING	555-6000	FOLLOW UP
1/21	DEMPSEY HARDWARE	JOE SMITH	MANAGER	555-1011	TO SET APPT.
1/22	ANDREWS CO.	TOM ANDREWS	PRESIDENT	555-2012	INITIAL
1/22	APPLIED COMMUN.	SUE JONES	VICE PRESIDENT	555-6100	INITIAL
1/22	BELL INDUST.	MIKE BELL	OWNER-PRES.	555-4321	FOLLOW UP
1/22	CHANNING APTS.	JANET RAY	MANAGER	555-5555	FOLLOW UP
1/22	COOK'S FOOD	SCOTT COOK	OWNER	555-1015	INITIAL
1/23	COR-BAN INC.	RAY MILLER	PRESIDENT	555-7800	TO SET APPT.
1/23	DANE STORES	PETER DANE	GENERAL MANAGER	555-9200	VISIT IN PERSON
1/23	GPM SYSTEMS	CATHY THOMAS	PRESIDENT	555-3334	TO SET APPT.
1/23	HEATH BROS.	RON HEATH	PURCHASING	555-3143	INITIAL
1/23	HEERY PROGRAMS	RALPH HEERY	PRESIDENT	555-4455	INITIAL
1/24	IVES & ASSOCS.	JAMES IVES	OWNER	555-1278	FOLLOW UP
1/24	KITCHEN KRAFT	BARBARA RYAN	SHOP FOREMAN	555-6549	DEMONSTRATION
1/24	ROBT LEWIS CO.	ROBERT LEWIS	PRESIDENT	555-5753	VISIT IN PERSON
1/24	LEO'S GARAGE	LEO	OWNER	555-4561	VISIT IN PERSON
1/24	PONTONE'S MUSIC	KAREN PONTONE	OWNER	556-8120	FOLLOW UP
1/25	ROBERTSON'S	CHET THOMPSON	VICE PRESIDENT	555-3214	INITIAL
1/25	SOUTHWESTERN TILE	DALE LYNN	GENERAL MANAGER	555-4000	TOUR PLANT
1/25	WHITESIDE CO.	AL WHITESIDE	OWNER	555-2580	INITIAL
1/25	WESTWATER SUPPLY	BRENDA HILL	VICE PRESIDENT	555-5112	INITIAL
1/26	YANKEE TRADER	JOHN APPLE	PRESIDENT	555-8000	FOLLOW UP

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WEEKLY SALES CALLS

Week Ending _____

DATE	ORGANIZATION	CONTACT	POSITION	PHONE #	CALL STATUS

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The Weekly Sales Report allows you to summarize the results of your sales calls for the week. Once you have completed the sales report you can organize the next week's sales calls and begin the sales calling process again.

The Weekly Sales Report allows you to analyze the results of your sales calls and determine if you are going to follow up with certain sales calls, try a new sales approach, or perhaps look in another area or marketplace for new customers. The Weekly Sales Report is set up as follows:

- The company or organization contacted.
- The person you contacted.
- The result of the sales call.
- Your evaluation of the sales call.
- What action you plan on taking with regards to this sales call.

On the following pages you will find an example of a completed Weekly Sales Report form and a blank Weekly Sales Report form.

WEEKLY SALES REPORT

WEEK ENDING 1/26/91

ORGANIZATION	CONTACT	RESULT	EVALUATION	ACTION
MILLER CO.	PETE MILLER	MADE CONTACT	PROSPECT	Follow UP CALL
NORWORTH CORP	ANNE SMITH	NOT IN OFFICE	—	Follow UP CALL
DEMPSEY HROW	JOE SMITH	GOT AN APPT.	PROSPECT	APPT - 2/6
ANDREWS CO.	BILL ANDREWS	INTERESTED	TO FOLLOW UP	Follow UP CALL
APPLIED COMM	SUE JONES	MADE CONTACT	NOT INTERESTED	NO SALE
BELL INDUST	MIKE BELL	NOT IN	—	Follow UP CALL
CHANNING APTS	JANET RAY	GOT AN APPT.	GOOD PROSPECT	APPT - 2/7
COOK'S FOOD	SCOTT COOK	MADE CONTACT	NOT INTERESTED	NO SALE
COR-RAN INC.	JOE BORCHERS	INTERESTED	TO FOLLOW UP	Follow UP CALL
DANE STORES	PETER DANE	GOOD MEETING	MORE INFO	VISIT AGAIN 2/8
GPM SYSTEMS	CATHY THOMAS	GOT AN APPT.	POSSIBLE - HARD	APPT - 2/7
HEATH BROS.	MIKE HEATH	NOT GOOD	NOT INTERESTED	NO SALE
HEERY PROGS	RALPH HEERY	NOT GOOD	NOT INTERESTED	NO SALE
IVES + ASSOCS.	JAMES IVES	SO-SO	4th CALL - SO-SO	DROP FROM CALL LIST
KITCHEN KRAFT	BARBARA RYAN	GREAT DEMO	BOUGHT 100	SHIP IN 2 WEEKS
ROBT. LEWIS CO.	ROBERT LEWIS	NOT GOOD	PRE-OCCUPIED	Follow UP CALL
LEO'S GARAGE	LEO	GOOD SALES CALL	WANTS DEMO	VISIT 2/6
PONTONE'S MUSIC	KAREN PONTONE	OK	WANTS RETURN CALL	Follow UP CALL
ROBERTSON'S	CHET THOMPSON	NOT IN	—	Follow UP CALL
SOUTHWESTERN TILE	DAVE LYNN	GOOD SALES CALL	WANTS DEMO	DEMO 2/18
WHITESIDE CO.	PETE WHITESIDE	MADE CONTACT	NOT INTERESTED	NO SALE
WESTWATER SUPP	BRENDA HILL	GOT AN APPT.	PROSPECT	VISIT 2/19
YANKEE TRADER	JOHN APPLE	NOTHING	WANTS RETURN CALL	Follow UP CALL

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WEEKLY SALES REPORT

WEEK ENDING _____

ORGANIZATION	CONTACT	RESULT	EVALUATION	ACTION

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Whether you have a business where the customer comes to you or you have to go to the customer, you are the best and probably the only salesperson in your company. Your belief in your products and services and your positve attitude will make your business enterprise profitable.

PRODUCTS & SERVICES

Before you start selling your products and services you must identify what your products and services are. You must have these products and services priced, suitably packaged, and have a way of getting them to the customer.

You may have all these items identified and planned out in your company's operation. It is important for you to develop a list of your products and services. Being able to leave a list with a customer or refer to a list when selling your products and services will enable you to communicate better with your customers.

The products/services list should include the following:

- The type(s)
- The size(s)
- The quality
- The price(s)

SUMMARY

Your company will be successful only if you can market and sell your company's products and services. The degree of success rests entirely with you. Your ambition, drive and personality will determine how profitable your business enterprise will become.

Treating your customers fairly and honestly will bring more new customers to your business. Word of mouth does more for a new small business enterprise than any other form of selling or advertising.

To help you with your marketing efforts ask yourself each day the following questions.

1) HAVE I CONTACTED ALL THE CUSTOMERS I PLANNED ON CONTACTING?

2) DO I KNOW WHAT MY COMPETITION IS DOING?

3) WHAT NEW PRODUCTS OR SERVICES CAN I DEVELOP FOR MY BUSINESS?

4) DO I KNOW WHAT IS CURRENTLY HAPPENING IN MY INDUSTRY?

5) DO I NEED TO ADDRESS ANY COMPLAINTS ABOUT MY PRODUCTS OR SERVICES?

6) DID I MEET MY SALES PROJECTIONS FOR THE WEEK, THE MONTH, THE YEAR?

7) HOW CAN I IMPROVE MY SELLING ABILITY?

8) AM I IN LINE WITH MY MARKETING BUDGET?

9) CAN I LOCATE ANY NEW CUSTOMERS OR A NEW MARKETPLACE?

FIRST BUSINESS GUIDE

ESTIMATION, PROJECT MANAGEMENT & SCHEDULING

INTRODUCTION

When you are operating a business that provides a service or a skill, such as carpentry or plumbing, you will usually be asked by your customer to provide an estimate for the work you are going to perform.

An estimate will give both you and your customer a means in which to monitor the work. The estimate will also serve as the basis for the bill.

Another element in having a profitable service or construction/trade business is the management and scheduling of the work or job(s), otherwise known as project management. Good project management will allow you to perform more than one job at a time, manage and schedule your labor and material resources, and provide you with a way to monitor the costs on your job.

ESTIMATION

The process of estimation includes predicting in the three basic areas of labor, materials & equipment, and overhead. The basis for estimating is knowing what the costs are for each area. When you know the costs in each area, you add a profit margin to complete the estimation process.

When you have completed the estimation process, you can put together a final estimate in a form that you can present to your customer. This form will show only the prices in each area the customer will be paying to you for the job.

To assist you with estimating calculations, there are a few pocket calculators available for around $50.00. These pocket calculators can store mathematical formulas to assist you during the estimating process.

LABOR

Your labor and the labor of an employee cost more than the hourly wage you actually pay yourself or the employee. To do a proper estimate of labor costs, you will have to consider the hourly wage, the number of hours of work each year, the FICA (Social Security Tax), the state unemployment tax, the federal unemployment tax, workers compensation insurance or other insurance costs, and any other labor cost.

In Ohio and many other states, employers are required by law to carry workers' or workman's compensation coverage for their full time and part time employees. The rates for coverage are set by each state according to the specific job classifications. For example, if you are a service company doing carpentry work, your rate will be higher than if you are service company doing secretarial work in your home. Whether your business is a sole proprietorship, partnership or corporation, your business is liable for workers' compensation coverage.

You are responsible for paying state unemployment insurance premiums for yourself and employees. In Ohio, as a first time business owner, you are assigned a minimum rate of 3.1%. Once your application is processed and your industry is determined by the state board, you may be assigned a lower or a higher rate. For example, if you are a construction or manufacturing business you may given a rate between 5.1% and 5.7%.

You can determine your labor cost by using the enclosed Labor Cost Sheet. For the purpose of demonstration we will use some sample information. The Labor Cost Sheet will have the following headings (we have included explanations for the headings):

- Laborer (you, full and part time employees and a subcontractor).
- Hourly wage rate ($10.00; $8.00; $5.00; & $12.00/hour, respectively).
- Yearly hours (2080 hours; 52 weeks times 40 hours a week; 1000 hours for the part time employee & 100 hours of actual job time for the subcontractor).
- Yearly salary (Hourly wage rate times the yearly hours).
- FICA (7.65% or .0765 times the yearly salary).
- State unemployment (5.1% or .051 times the yearly salary).
- Federal unemployment (0.8 % or .008 times the yearly salary).
- Workers compensation (12% or .12 times the yearly salary).
- Other labor costs (other insurance costs or local payroll tax on labor, in this example there is no other labor costs).
- Total labor cost (The sum of yearly salary, FICA, state unemployment, federal unemployment, workers compensation, and other labor costs).
- Yearly hours available (1976 hours, there are 2080 possible work hours a year, however, for this example we subtracted 104 hours for eight holidays and five vacation days; 1000 hours for the part time employee; & 100 hours for the subcontractor.)
- Hourly wage cost (This is the actual hourly labor cost for estimating purposes. This cost is determined by dividing the dollar amount in the total labor cost column by the number of hours in the yearly hours available column).

On the following pages are an example Labor Cost Sheet (using the numbers above) and a blank Labor Cost Sheet.

LABOR COST SHEET

LABORER	HOURLY WAGE	YEARLY HOURS	YEARLY SALARY	FICA (7.65%)	STATE UNEMPL. (5.1%)	FEDERAL UNEMPL. (0.8%)	WORKERS COMPEN. (12%)	OTHER LABOR COST	TOTAL LABOR COST	YEARLY HOURS AVAIL.	HOURLY WAGE COST
A. Smith	$10	2080	$20,800	1,591	1,061	166	2,496	0	$26,114	1976	$13.22
P. JONES	$ 8	2080	$16,640	1,273	849	133	1,997	0	$20,892	1976	10.57
M. BROWN	$ 5	1000	$ 5,000	383	255	40	600	0	$ 6,278	1000	6.28
CONTRACTOR	$ 12	100	$ 1,200	0	0	0	144	0	$ 1,344	100	13.44

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LABOR COST SHEET

LABORER	HOURLY WAGE	YEARLY HOURS	YEARLY SALARY	FICA ( )	STATE UNEMPL. ( )	FEDERAL UNEMPL. ( )	WORKERS COMPEN. ( )	OTHER LABOR COST	TOTAL LABOR COST	YEARLY HOURS AVAIL.	HOURLY WAGE COST

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When you have completed the labor costing you have the option to add on an additional cost factor to this labor cost. A small percentage factor may be used to cover any down time on the job.

As you can see from the example,

the $10.00/hour person, J. Smith (you), really costs the business $13.22/hour;
that P. Jones (full timer) at $8.00/hour, really costs the company $10.57/hour;
that M. Brown (part timer) at $5.00/hour really costs the company $6.28/hour.

The subcontractor, in this example, does not carry his/her own workers compensation, therefore this cost must be picked up by the company. This changes the subcontractor's rate from $12.00/hour to $13.44/hour. These then are the base labor per hour costs/rates you must use in your estimating process.

The next step is to determine how many labor hours you will have for each person on this job (job hours). Then multiply the number of job hours, for each person on the job, times the labor rate. This answer gives you the total labor costs for each person for the job. Finally, if you have more than one laborer working on the job, then add up all the total labor costs for each person on the job.

At this point you have your total labor costs for this job estimate. You can now add on the additonal down time factor if you so chose.

We can use the labor rates, listed above, and calculate the total labor cost, including a 2% down time factor, for a job. The following example illustrates the labor cost calculation for a particular job.

Laborer	Rate	Labor Hours	Labor Cost	2% Down Time	Tot. Cost
J. Smith	13.22	50	$ 661	$13	$ 674
P. Jones	10.57	100	$1,057	$21	$ 1,078
M. Brown	6.28	25	$ 157	$ 3	$ 160
Contractors	13.44	100	$1,344	$27	$ 1,371
				Total Job Labor	$ 3,283

You may not have employees, however you may hire temporary help because you need a special skill or for additional labor for a certain job. If you do add on a temporary or subcontractor, **make quite sure that you consider all of the same labor costs, or you should obtain an estimate from the subcontractor.**

MATERIALS & EQUIPMENT

To determine materials cost you should make up a list of materials needed to complete the job. Each material item on the list should have the quantity needed to complete the job written next to that item.

For example if you need lumber for the job, then make a list of the different types of lumber. Next to each lumber type on the list you should write the number of pieces and/or the number of feet and inches needed for this job.

Next you should identify the cost of each item. Then multiply the cost times the number of pieces and/or the amount of each item, needed for the job. Total up all the costs of the material items on your list.

If there is any shipping involved in obtaining the materials, then you need to add this cost into the materials cost. If the materials break easily or if there is waste or spoilage involved, you should add in a waste factor. You should also include costs for transporting the materials to the job site.

At this point you have a materials list with the costs for the materials, any shipping or handling costs, waste factor costs, and any other costs totaled. You then have the option to add on a percentage for profit to this materials cost list.

Once you have the total materials cost list, you should write up a materials list with the price(s) your customer will pay for the materials.

If you rent equipment for a job, you must include the costs involved in the rental in your job estimate. This may involve the costs you might incur for transporting the piece of equipment to the job site, the rate charged to you for the rental, the number of hours you will pay for the rental, and fuel.

If you are going to use your own equipment on the job, you should charge a fair rental rate for the number of hours the piece of equipment is on the job site. This rental rate should include:

- Insurance
- Fuel
- Transportation to the job site
- Maintenance and repairs
- Any taxes or licenses
- Replacement value

To determine replacement value, you must consider the operating life of the equipment in years, the number of hours you estimate the equipment will operate in a year, and the cost to replace the equipment when it no longer works. The replacement value for each job is the determined by multiplying the number of hours the equipment is on the job times the hourly replacement value for that year. For example, your equipment normally will last ten years; you will operate the equipment 1000 hours this year; and the cost to replace the equipment is $10,000. The value for this year is $1000 or $1 per hour. If this job is 100 hours then the replacement value is $100.

OVERHEAD

As mentioned in the Business Administration part of this Guide, there are certain overhead costs associated with doing business. The overhead costs to consider are:

- Rent
- Utilities
- Telephone
- Supplies & tools
- Outside services
- Insurance
- Loan payments
- Taxes
- Advertising & sales costs
- Equipment rentals & costs
- Car and/or truck expenses

When you complete a budget for your company, as mentioned in the Cash Management, Accounting and Bookkeeping part of the Guide, these overhead costs should be included.

An overhead rate can be established easily once this budget has been completed.

1. Total the yearly budget amounts for each overhead item you have in your company.

2. Estimate the number of hours your company will operate this year.

3. Divide the total budgeted overhead dollars by the number of hours you estimated the company will actually be working this year.

The answer is the overhead rate. This rate can be applied to the job estimate by multiplying the overhead rate times the number of job hours estimated for the job. The answer is the amount of overhead that should be added to the job.

You may want to include your profit margin at this point rather than with your individual estimates. In other words, do your labor estimate, materials estimate, equipment estimate, and overhead estimate; then total all estimates and add on a profit margin percentage.

The final estimate will then include -

- Labor estimate
- Materials estimate
- Equipment estimate
- Overhead estimate
- Total of all the estimates
- Profit margin
- Final estimate amount for the job

The Job Estimate Work Sheet on the next page is one way in which you can develop your job estimate.

(Your Company's Name)
JOB ESTIMATE WORK SHEET

Customer: PAT BROWN
Address: 123 MAIN
FARMINGDALE, Ohio 44444

Phone: (000) 555-1111
Date: 1/29/91

LABOR Laborer/Tasks	Labor Hours	Hourly Rate	Labor Cost
A. SMITH - CARPENTRY - FRAME	50	13.22	661.00
P. NONES - FRAME - CARPENTRY	100	10.57	1057.00
M. BROWN - SHEET ROCK - CLEAN	25	6.28	157.00
CONTRACTOR - ELECTRICAL	100	13.44	1344.00

Total Labor Cost $ 3,219.00

MATERIAL Type/description	Qty	Measurement	Unit Price	Material Cost
CONTRACTOR'S MATL QUOTE				1,000.00
2 x 4 STUDS	100	10'	1.50	150.00
SHEET ROCK	55	4 x 10 x ½"	5.00	275.00
PAINT	2	GAL	16.00	32.00
MISC - NAILS, ETC				50.00

Total Material Cost $ 1,507.00

EQUIPMENT Type/description	Equip. Hours	Hourly Rate	Equip. Cost
COMPRESSOR	100	5	500.00
RADIAL SAW	75	10	750.00

Total Equipment Cost $ 1,250.00

OVERHEAD
Job Hours 175 X Overhead Rate 46.75 = Total Overhead Cost $ 1,181.25
(Add total costs for Labor, Material, Equipment & O/H) Total Estimate $ 7,157.25
(Calculate your expected Profit Margin) Profit Margin $ 1,800.00
(Add Total Estimate & Profit Margin) Total Customer Estimate $ 8,957.25
(You can also calculate your profit margin and allocate that dollar amount directly to the Overhead Cost.)

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(Your Company's Name)
JOB ESTIMATE WORK SHEET

Customer: _____ Phone: _____

Address: _____ Date: _____

_____

LABOR Laborer/Tasks	Labor Hours	Hourly Rate	Labor Cost

Total Labor Cost $ _____

MATERIAL Type/description	Qty	Measurement	Unit Price	Material Cost

Total Material Cost $ _____

EQUIPMENT Type/description	Equip. Hours	Hourly Rate	Equip. Cost

Total Equipment Cost $ _____

OVERHEAD

Job Hours _____ X Overhead Rate _____ = Total Overhead Cost $ _____

(Add total costs for Labor, Material, Equipment & O/H) Total Estimate $ _____

(Calculate your expected Profit Margin) Profit Margin $ _____

(Add Total Estimate & Profit Margin) Total Customer Estimate $ _____

(You can also calculate your profit margin and allocate that dollar amount directly to the Overhead Cost.)

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There are many ways to present the estimate to your customer.

- One single dollar amount.
- The number of labor hours with hourly amounts, materials costs and overhead costs.
- Just the cost of labor and materials.
- An itemized list of the labor and related hours for each job and an itemized list of all the materials.

The customer may also want to know how long the job will take and when you will begin and end the job.

Knowing how businesses in your industry make estimates allows you to work within the accepted ways of giving estimates.

Most often the customer does not want to see overhead amounts and profit margins in the estimate.

You must calculate the various parts of the job's estimate, as described above, and add in the overhead and profit margins into the labor, material and equipment parts of the estimate.

The Customer Job Estimate Sheet or Estimate on the following page is one way you can present the final estimate to your customer.

(Your Company's Name)
CUSTOMER ESTIMATE

Customer: Pat Brown
Address: 123 Main
Farmingdale, Ohio 44444

Phone: (000) 555-1111
Date: January 31, 1991

LABOR Type of Work	Hours		Labor Cost
Carpentry	50		661.00
Framing	100		1,057.00
Sheet Rock	25		157.00
Electrical - Contract	100		1,344.00

Total Labor Cost $ 3,219.00

MATERIAL Type	Qty	Measurement	Material Cost
Electrical Contractor Material Quote			1,000.00
Lumber - Studs	100	2X4X10	150.00
Sheet Rock	55	4X10X½"	275.00
Paint	2	Gals.	32.00
Misc. - Nails, staples, supplies			50.00

Total Material Cost $ 1,507.00

EQUIPMENT Type	Hours		Equipment Cost
Compressor	100		500.00
Radial Saw	75		750.00

Total Equipment Cost $ 1,250.00
Total Overhead Cost $ 2,900.00
Total Customer Estimate $ 8,876.00

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(Your Company's Name)
CUSTOMER ESTIMATE

Customer: _____ Phone: _____

Address: _____ Date: _____

_____

LABOR Type of Work	Hours		Labor Cost

Total Labor Cost $ _____

MATERIAL Type	Qty	Measurement	Material Cost

Total Material Cost $ _____

EQUIPMENT Type	Hours		Equipment Cost

Total Equipment Cost $ _____

Total Overhead Cost $ _____

Total Customer Estimate $ _____

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PROJECT MANAGEMENT

JOBS MANAGEMENT & SCHEDULING

If you are your only employee and are not using temporary employees or subcontractors on your jobs, you need to be concerned only about your time. However, if you have more than one job to do, you must consider job management.

Once you turn in your estimate with certain time frames for job starts and finishes, you have made a commitment to that customer. When the customer calls and approves the estimate, you have a job to complete in a committed time frame.

You may have made other job estimates, during this same time frame. You may get calls from these other customers approving your estimates and wanting their job started. If so, you have multiple jobs that may have similar time commitments.

You have three choices for solving this problem.

1. You can hire a temporary employee or subcontractor to assist you.
   (Problem: You did not include this cost in your estimates.)

2. You can call one or more of your customers and change the job start dates.
   (Problem: The customers may refuse to accommodate you and will call another company to perform their jobs.

3. You can work two or three jobs at the same time.
   (Problem: How do you manage your time and still complete the jobs?)

Since this is your first business, the first two choices can cost you money and the choices may make you lose customer(s) before you start the job(s). The third choice can be difficult to accomplish; however, it may be your only real choice.

You must contact all your customers and work out a schedule with each one that will satisfy their wishes and allow you to complete the jobs. Explaining the multiple jobs situation up front will prevent most future customer relation problems.

By starting all the jobs around the estimated start time and with a good effort on your part to do quality work and to complete the job near the estimated end date, you should be able to satisfy your customers.

Using a calendar or situation board to plot each job and its tasks can be the best way to manage and schedule your time. When you have completed the cost estimate, you should temporarily plot the time line of the job.

When you have received the go-ahead for the job, you should activate the time line and plot the job on your calendar or situation board. You may spend time on each job each day, or you may spend one day a week on each of the jobs.

Things to consider when scheduling your jobs are -

- Customer Relations
- Length of time for each job.
- Job start and end dates.
- Location of the jobs.
- Use of your time on the job versus using a temporary employee or subcontractor.
- Use of similar materials on different jobs to save money with volume purchases.
- Use of similar equipment on different jobs (rental equipment or your own equipment) or transporting equipment back and forth among jobs.

MOST IMPORTANT - MAINTAIN THE QUALITY OF YOUR WORK IN EACH JOB.

JOB COSTING

One of the best ways to monitor and control your job is through a job costing system. A simple job cost system will allow you to analyze the job's progress and how much profit you made when the job is completed.

You will want to monitor and control:

- Labor
- Materials & equipment usage
- Overhead

To monitor labor you should use a time card or a calendar. Each day you can log the number of hours spent on each job. At the end of the week total the hours you worked on each job; then analyze how much progress you made on each job; for example, on job 1 you are 25% completed and on job 2 you are 50% completed.

Look at your labor estimates for both jobs. If job 1 has 100 hours of estimated labor, your hours for the week on job 1 should be 25 hours. If your estimated hours for job 2 are 50 hours, your hours for the week on job 2 should be 25 hours.

By comparing labor estimates with the amount of progress on the job, and with the number of hours logged on that job, you will be able to analyze how well your work compares with your estimate. In addition, you will see immediately whether you are going to make money on the job.

> **By conducting these labor comparisons weekly, or daily if necessary, you can exercise some control of your labor and keep control of your labor costs.**

To monitor and control material expenses you need to compare each material bill from your vendor/supplier with your material estimate. In addition, you should take weekly measurements of the material placed in the job. You should also take a weekly inventory of the materials left to be placed in the job. The measurements and the inventory should match up with your estimate.

Compare the amount of material in the job and the material in inventory with the progress of the job, and with your material estimate for the job. This monitoring process should be done each week.

If your material does not match up for the job, you will have to take steps to correct the situation. The waste or spoilage factor in your material estimate may have compensated you for the problem.

> **At this point you will know what your actual material costs are for this job. You will also know how much money you are making on the job in the material area.**

For equipment monitoring and control you can use the same method as for labor. You can use the same time card or calendar as for logging your labor hours. You can match rental bills with your estimate for the rental costs. You can also match fuel, repairs and maintanence bills with your estimates for fuel, repairs and maintanence.

Overhead is monitored and controlled by watching your bills for overhead each month and matching the actual overhead costs with your monthly overhead budget for the business.

Add the number of hours worked in each job that month. Take each sum for each job and total all the jobs' hours. Then multiply the total jobs' hours times the overhead rate.

Compare the answer with the actual overhead expenses for the month.

> **At this point you are able to make any adjustments in your overhead expenses and/or make adjustments in your overhead rate.**

On the following pages are an example of a Job Cost Summary Sheet and a blank Job Cost Summary Sheet.

(Your Company's Name)
JOB COST SUMMARY SHEET

JOB: PAT BROWN

Total Estimated Job Labor Hours	% Complete	To Date Estimated Job Labor Hours	Actual Hours	Variance
275	25%	68.75	70	<2.75>
Total Estimated Material Costs	**% Complete**	**To Date Estimated Material Costs**	**Actual Material $ Placed**	**Variance**
$1,507	35%	$ 527.45	$500.00	$27.45
Total Estimated Job Equipment Hours	**% Complete**	**To Date Estimated Job Equipment Costs**	**Actual Equipment Hours**	**Variance**
175	20%	35	30	5

JOB: _____

Total Estimated Job Labor Hours	% Complete	To Date Estimated Job Labor Hours	Actual Hours	Variance
Total Estimated Material Costs	**% Complete**	**To Date Estimated Material Costs**	**Actual Material $ Placed**	**Variance**
Total Estimated Job Equipment Hours	**% Complete**	**To Date Estimated Job Equipment Hours**	**Actual Equipment Hours**	**Variance**

Monthly Budgeted Overhead	% of Month Completed	To Date Estimated Overhead Costs	Actual Overhead Costs	Variance
$5000.00	25%	$1,250.00	$1,000.00	$ 250.00

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(Your Company's Name)
JOB COST SUMMARY SHEET

JOB: _____

Total Estimated Job Labor Hours	% Complete	To Date Estimated Job Labor Hours	Actual Hours	Variance
Total Estimated Material Costs	**% Complete**	**To Date Estimated Material Costs**	**Actual Material $ Placed**	**Variance**
Total Estimated Job Equipment Hours	**% Complete**	**To Date Estimated Job Equipment Costs**	**Actual Equipment Hours**	**Variance**

JOB: _____

Total Estimated Job Labor Hours	% Complete	To Date Estimated Job Labor Hours	Actual Hours	Variance
Total Estimated Material Costs	**% Complete**	**To Date Estimated Material Costs**	**Actual Material $ Placed**	**Variance**
Total Estimated Job Equipment Hours	**% Complete**	**To Date Estimated Job Equipment Hours**	**Actual Equipment Hours**	**Variance**

Monthly Budgeted Overhead	% of Month Completed	To Date Estimated Overhead Costs	Actual Overhead Costs	Variance
_____	_____	_____	_____	_____

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SUMMARY

By starting out in your business with a professional way of performing estimates and with solid management and scheduling practices, you will be in total control of your trade, construction, or service enterprise.

Maintaining the systems on a weekly basis will allow you to keep a strong handle on your cash and profits. Comparing your estimates with the actual results will make you face the truth about what is really going on in your company.

Above all, maintain the quality of your work in each job you perform for each customer.

QUESTIONS TO ASK YOURSELF EACH DAY OR EACH WEEK

1) DID I DO ALL THE ESTIMATES I PLANNED TO DO THIS WEEK?

2) DID I REVIEW THE ESTIMATE FOR ALL THE LABOR, MATERIAL, EQUIPMENT AND OVERHEAD ITEMS?

3) DID MY ESTIMATE DOLLAR AMOUNTS ADD UP ACCURATELY?

4) DID I GET THE ESTIMATE TO MY CUSTOMER ON TIME?

5) DID I SCHEDULE MY JOBS FOR THE DAY, WEEK, MONTH?

6) DID I LOG MY LABOR AND EQUIPMENT HOURS TODAY?

7) DID I REVIEW MY LABOR AND EQUIPMENT HOURS WITH JOB PROGRESS THIS WEEK?

8) DID I REVIEW MY MATERIAL BILLS WITH MY ESTIMATE?

9) DID I MEASURE AND INVENTORY ALL MY JOBS THIS WEEK?

10) DID I REVIEW MY JOBS' OVERHEAD WITH MY ACTUAL OVERHEAD FOR THE MONTH?

FIRST BUSINESS GUIDE
MERCHANDISING & INVENTORY

INTRODUCTION

Two important operations in any business that sells a product are merchandising and inventory control. How you promote and display your products will dictate how well your products will sell. How you control the amount, type, and cost of your inventory will dictate the size of your profits.

While merchandising usually relates to retailing businesses, such as clothing stores, the definition of merchandising is "to buy and sell (commodities); to promote the sale of, as by advertising or display," (*The American Heritage Dictionary, New College Edition*). The information in this section will relate to any business that sells products through retailing, wholesaling, manufacturing outlet, mail order, or through a service.

Inventory control relates to all businesses. Even if you operate a service company, you will have some type of inventory. Whether or not you sell products, you will have an inventory of supplies and tools.

MERCHANDISING

Whether you make your own products for resale, sell products on a retail or wholesale basis, or provide a service, merchandising will affect your business's profits. You must be able to make cost effective product selection decisions, display the merchandise in order to maximize your sales, and promote and sell your products effectively.

SELECTION

The quality of the products you sell in your business will dictate the type of customer that will be purchasing your goods and how much the customer will pay. If the quality is high, most likely the prices you charge will also be high. The opposite is true for low quality goods.

In your marketing research, you will have to determine the type of customers you are targeting for sales. Once you have identified your customers, you will have to select the type and quality of products you will be selling. Lastly, you will have to decide on the selling price for your products.

If you are purchasing products from a manufacturer or from a wholesaler, you will have to decide on the following:

- Type(s) of products
- Size(s) of products
- Quality
- Quantity

Often the amount you pay for the products will depend on the quality of the products and the quantity you purchase. Regardless of the quality, you will almost always pay lower prices for purchasing larger quantities.

Although you may predict higher profits if you buy in large quantities at lower costs, you must be able to sell the purchased products to your customers. Any good vendor or supplier will provide you with information on their products and on how well they sell in the marketplace. **Before you make a purchase, always investigate your vendor(s)/supplier(s) for reliability, service, and information.**

If you purchase in large quantities:

- You may not have room for other products in your display or in your storage area;
- You may not have enough dollars left to purchase other products;
- You may end up with obsolete or unsalable merchandise;
- You may spend extra cash on financing costs for your inventory.

Your company may be a small manufacturer, in which case you might have a make or buy decision. For example, your company manufactures small magnifying devices which include plastic tubing, plastic inserts and glass lenses. You may decide that your plastic tubing is costing too much to buy pre-cut and pre-painted. You decide to buy rolls of tubing and paint, and then do your own cutting and painting. This decision may have been made because the cost of buying was higher than the cost of making.

Your decision to make or buy should be not be based only on cost. You should also consider the quality of the final product. Does the product have the same quality and can the product be merchandised the same as before? Will your customers see the difference and react negatively to your decision to make your own product, or will they continue to buy?

In your company's product selection process, you will have to decide **when, where,** and **how** to purchase your products. These decisions, as mentioned before, should depend on the marketing research you conducted to determine your target market customers.

When operating a small business you must be able to anticipate your customers' needs and have the products you believe the customers will buy when they will buy them. If you are operating a small kiosk in a mall or a pushcart selling tee shirts, you must be aware of:

- The latest styles
- The newest designs
- The season of the year.

This knowledge will assist you in deciding what to purchase and when to purchase the tee shirts for your kiosk or pushcart. This same principle applies to other types of retailing and wholesaling business enterprises, regardless of the kinds of products you are selling.

Having a good knowledge of the products/merchandise you will be selling, and doing the research on your target market, will allow you to determine **when** to purchase what merchandise.

As mentioned before, your vendors and suppliers can be excellent resources on the marketability of their products. They can give you good information on **when, where,** and **how** to purchase merchandise for your business. They will almost always inform you in advance of the good times to buy and when new merchandise is available for you to buy.

There are many options on **where** and **how** you can make merchandise purchases for your business. You should make your decisions in the most cost-effective way possible. Quality and quantity are one set of measures for cost-effective buying. However, **where** and **how** you make your purchases are also part of good cost-effective buying decisions.

The merchandise or products in your business can be for resale, for use in your service company, or for use as raw materials in your manufacturing enterprise. Here are some options for **where** and **how** you can make merchandise and product purchases:

- From a vendor, supplier, or wholesaler.
- From the manufacturer or factory.
- From a catalog.
- AT trade shows and conventions.

Many business people go on buying trips and visit manufacturers and suppliers directly. They make the purchases at that time and either bring the merchandise home or have the merchandise shipped. Many visit trade shows to learn about new products and to establish contact with potential vendors and suppliers.

Once you have selected the merchandise you are going to purchase, you have to establish a source of supply for the merchandise and products. Establishing a good set of vendors and suppliers is vital to the success of your business.

Some businesses use only one supplier, vendor, or manufacturer for products and merchandise. There are many reasons for using one source, such as:

- Reliability of product
- Quality of service
- On-time delivery
- Up-to-date information on new product developments
- Opportunities to have new merchandise before your competitors
- Purchase discounts
- Good credit terms

The one problem with a sole source supplier is that some day this vendor or supplier may not be able to supply you with your merchandise or products. There are many reasons why the sole source may not be able to deliver (fire, flood, equipment or truck break down, shortage of materials), however, you are the one who has no merchandise or products to sell. This is why you may need a back-up supplier or vendor.

Before you contract with a supplier, you should learn and understand what the supplier's terms are for doing business, for example you should know:

- Size and mix of orders.
- Minimum order sizes.
- Delivery and/or pick up schedules.
- Payment terms.

KNOW YOUR SUPPLIERS, VENDORS & MANUFACTURERS

KNOW YOUR PRODUCTS & MERCHANDISE BEFORE YOU PURCHASE

DISPLAY & LAYOUT

How you display your merchandise and how you lay out your selling or display area are as important as the quality of merchandise and products you are selling. Your customers must be able to see and examine your merchandise.

> **If you display your merchandise in an attractive and eye-catching manner, you will be able to maximize your profits through increased sales.**

Joining a national trade association has many benefits. It an provide up-to-date information on current merchandise and product lines, on who and where the vendors and suppliers are located, and on how products and merchandise can be displayed and demonstrated. The trade association will usually have an annual trade show and convention. These shows can offer you many techniques on how to display your merchandise and lay out your store, kiosk, or pushcart.

Many first time retail and food businesses can be set up in kiosks or on pushcarts. There are a number of companies in the United States that are in the business of manufacturing kiosks and pushcarts. Some of them will make one to your specifications. Some of these manufacturers will assist you on how to display your merchandise.

> **A good kiosk/pushcart manufacturer will know what the regulations are for storing and handling food in a kiosk or pushcart.**

When operating a kiosk or pushcart, it is important to display as much of your merchandise as possible without looking cluttered or overcrowded. You should display eye-catching items that will attract customers.

Be sure you display the merchandise so that customers can easily see or examine the articles. In your display always show your higher profit items at eye level. Always try and make your display show a good mix of all the merchandise you sell.

> **Be sure that you are aware of potential shoplifters and take the proper measures to secure your merchandise.**

If you are operating a food type pushcart and therefore cannot display your merchandise, you should have some type of sign, balloon or umbrella that will attract potential customers. The location of your pushcart or kiosk is as important as the way in which you attract customers.

Always keep your kiosk or pushcart clean and attractive. If your business looks cluttered, sloppy or just plain dirty, your potential customers will think that your merchandise is not properly handled and/or the merchandise is of poor quality. The end result is that the potential customer has a bad impression of your business.

> A negative impression is almost impossible to overcome.

You may decide to operate a booth at flea markets or yard or garage sales. You may want to operate a service that organizes these types of events or you may want to start a flea market in your market area.

Many of the merchandising guidelines mentioned previously also apply to these kinds of business operations, specifically merchandise display. How you purchase, handle, and display used merchandise will effect the profits of your business.

Before you sell used merchandise, you should follow some basic guidelines when purchasing, handling, and displaying the merchandise. There are also some basic operating guidelines to follow. These guidelines are:

- Be sure the item works or that you are able to make it work.
- Add the cost of repairing or cleaning to the selling price.
- The cleaner and more attractive item will almost always sell first.
- Offer available warranties when selling the item.
- Locate your booth or table near to the highest flow of people at the flea markets or garage/yard sales.
- Find out if you must have a business permit or license, and charge sales tax.

You may start your business outside of your home. This outside location could be a retail space, a wholesale outlet, or a store front at your manufacturing site. Regardless of the size of your business site, you need to plan and lay out the display area for your merchandise or products. As mentioned in the Marketing & Sales section of the guide, location is a key factor in the success of your business enterprise.

In addition to store layouts and merchandise displays, you should have a sign outside of your business. The sign should include your business's address and phone number. It should list some of the merchandise items and/or services that you provide at your business. The sign should also state your business hours.

The outside of your store should look clean and attractive, for example:

- Clean windows
- Swept sidewalks
- Nicely landscaped (no overgrown weeds)
- Clean or painted walls

Working a half an hour to one hour every day or every two days on the appearance of your business will go a long way to attract customers.

If you have windows facing the street or where potential customers can view your business, you should have a professional-looking window display. The window display should show the types of merchandise you offer.

The window display could reflect a season of the year, a holiday, or some special event. You should change your display on a regular basis. The keys to a successful window display are:

- Simple, neat and uncluttered appearance.
- Clear demonstration of your merchandise.
- Unique and eye catching.

When setting up merchandise in your store, you should consider the pattern of the layout. For example, do you want a grid pattern or a free flow pattern? Two things to consider are the size of your floor space and the types of merchandise you are selling. If you sell hardware, a grid pattern is the usual way to set up a floor display. If you sell clothes, then a free flow pattern is most widely used.

In either case, mentioned above, the size of your store may limit how you design the store's layout. Along with store size, you need to consider the following:

- The items you are trying to sell and need to display.
- Displaying groups of similar items together.
- Storage space for back-up stock.
- Wall and ceiling space, as well as floor space.
- Shelving, display cases and counters.
- Lighting.
- Security.
- Self service layout or customer assistance layout.

When setting up your store's display pattern, it is important to know that most customers are right handed. Therefore, most customers go naturally to the right side of your store first. Studies of customers walking patterns in retail stores, as stated in the ***Small Business Management***, seventh edition, by Justin G. Longenecker and Carlos W. Moore, show that the most valuable spaces in a store in order of higher to lower sales patterns are:

- Right front
- Center front & right middle
- Left front & center middle
- Left middle

PROMOTION

Sales promotion is another part of merchandising. The Marketing & Sales section of this guide gives you many ways to market and sell your products and merchandise. One way includes some assistance from the local SBDC sub-center. The SBDC sub-center will assist you with advertising fliers and brochures by using a desk top publishing system.

Also included in the Marketing & Sales section was information on how to do personal selling. No matter how or what you are selling, effective personal selling is the key to the success of your business enterprise.

You are your business's best promoter!!!

There are many ways to promote sales. This guide has discussed sales promotion in this section and in the Marketing & Sales section. Here is a list of some ways to promote sales:

- Brochures and flyers
- Signing, balloons, umbrellas
- Advertising in the Yellow Pages
- Advertising in local newspapers and shopping guides
- Catalog sales
- Business cards
- Radio and TV advertising
- Merchandise sales around holidays and special events
- Open house merchandise and product demonstrations
- Give aways with the company's name and address
- Special sales days with free food or a raffle

Cost will play a major role in the types and ways you do sales promotion. When considering the promotional technique(s) that will work for your business, try to measure the promotional dollars that you are spending with the sales dollars you expect to receive.

Whenever possible, you should work with businesses in your area in a cooperative sales promotion. This will keep your costs of promotion lower and maximize the dollars spent on the sales promotion.

INVENTORY CONTROL

Once you have purchased merchandise, products and/or raw materials, you have to convert the merchandise, products or raw materials into sales. The only way you will make a profit is through the sale of your products.

No matter how inexpensively you bought the merchandise, products, or raw material items, or how inexpensively you converted or manufactured these items into finished goods for resale, you will not make a profit until you actually sell the finished goods.

Therefore, the way you purchase and control your inventory will determine how much profit your enterprise will make and how much cash you will have to operate your business.

PURCHASING

As mentioned in the Merchandising part of this section, having good supplier and vendor relationships can provide your business with many advantages. The opposite is also true, poor supplier/vendor relationships can put your company at a disadvantage, specifically with your competitors.

Using your suppliers for information on products and services, and for holding and shipping products when you need thems can benefit your company. If your supplier is unable to hold shipments, the supplier may assist you in planning and scheduling your purchases and shipping dates.

Keeping records on your purchases is the best way to assist your business in planning and scheduling inventory. You can use the calendar included in this guide to track your order, shipping, and receiving dates.

A simple purchase journal will allow you to enter the supplier, quantity ordered, quantity received, a description of the order, the promised delivery date, and the actual delivery date. The journal helps you track your purchases by matching what and when you ordered products, with what and when the products were actually received.

The following pages give examples of a completed and a blank Purchase Journal. The journal can assist you with purchasing merchandise for resale or with purchasing raw materials for manufacturing purposes.

PURCHASE JOURNAL

SUPPLIER	QUANTITY ORDERED	QUANTITY RECEIVED	DESCRIPTION	PROMISED DELIVERY DATE	ACTUAL DELIVERY DATE
BAC	2	2	12" PIPE	3/12	3/13
ACME	10	8	CASES OF HANGERS	4/2	4/1
BROWN'S	6	6	LENSES	5/1	5/1

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PURCHASE JOURNAL

SUPPLIER	QUANTITY ORDERED	QUANTITY RECEIVED	DESCRIPTION	PROMISED DELIVERY DATE	ACTUAL DELIVERY DATE
					88
87					

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CONTROL

In a small and/or start-up business, it is important to have cost-effective operations. Having too much inventory for resale or too much raw material for manufacturing can cost you more money and decrease your profits faster than not having enough inventory for resale.

Cash is vital to a small business and its survival. The fastest way you become cash poor is by purchasing too much inventory.

If you do not sell your inventory in a timely way your business suffers through:

- Less cash to pay other bills.
- Less cash to buy other items for resale.
- Less selling space for new merchandise.
- Less storage space for other merchandise that is selling.
- Less storage space for raw materials and finished goods that are selling.
- Interest dollars on money you may have borrowed to purchse the inventory.

Every day, week, or month you carry extra inventory in your business can cost your business hundreds and thousands of dollars. If the inventory does not sell well or fast enough, then the slow-moving merchandise or finished goods on sale and deplete that old inventory.

When operating your business, try to keep your orders for sales inventory to a minimum. Order your merchandise or raw materials so that they arrive just when you need them in your store or shop.

You try to minimize the number of times that you are out of stock on an item. However, **when it comes to cash management, it is better to be out of an item for resale than to have too many items in stock that are not selling.**

Always keep your inventory and display merchandise secure. Theft and burglary can reduce your business profits and possibly close the business down. Although insurance may be expensive, having proper coverage and good security procedures can keep your business open and profitable.

Keeping an accurate purchase journal and inventorying your display and storage areas on a weekly or monthly basis is the best way to the control your inventory. By logging your daily sales by using sales slips or cash register tapes, keeping a purchase journal, and taking inventory counts, you will be able to control your inventory.

Companies purchase computers for the purpose of controlling their business operations. Many use computers to track and control inventory. However, if you do not have a computer system that works specifically for your business, or you do not make the entries into the computer on a timely basis or accurately, the computer will not assist you in controlling your business operations.

Before you purchase a computer for your business, set up your procedures and controls on a manual basis. Then research and learn about the various computer systems that will work for your business operation before you purchase a computer.

In most small businesses, a good set of operating procedures, an adding machine, and a cash register will provide you with as much assistance as a computer system.

In a manufacturing business you will have three types of inventory. First there is the raw materials inventory; second is the work in process inventory; and third is the finished goods inventory.

Each of these types of inventory can be accounted for separately. One reason is that raw materials have one value in dollars, the purchase price you paid. A second reason is that work in process inventory has a dollar value added, because you are in the process of transforming the raw materials into a final new product for sale. A third reason is that the finished product has an additional dollar value added, because your business now has a product or finished good for sale.

In addition, you may have to account for each type of inventory for tax purposes. There are property taxes assessed on your inventory. Also, how you account for your inventory may have an impact on your company's yearly income, which is also taxed.

Regardless of the reason(s) for accounting separately for your manufacturing inventory, you should consult a qualified accountant before you decide on any inventory accounting system.

SUMMARY

The processes of merchandising and inventory control are vital to the success of your business enterprise. By planning and implementing good merchandising and inventory control procedures you will be able to maximize your profits.

Always keep in mind that you have limited amounts of cash to operate your business. Proper cash management and budgeting will assist you in determining how, when and where you merchandise and control your enterprise's inventory.

The following questions will assist you in your merchandising and inventory control procedures.

1) DID I PLAN MY MERCHANDISE AND PRODUCT PURCHASES TO TARGET MY CUSTOMERS DEMAND?

2) DID I ORDER THE MINIMUM AMOUNT POSSIBLE?

3) DO I KNOW MY SUPPLIER, VENDOR, AND MANUFACTURER?

4) HAVE I ASKED FOR AND RECEIVED INFORMATION ABOUT THE PRODUCTS I AM PURCHASING?

5) DID I PLAN AND SCHEDULE PURCHASES TO KEEP MY INVENTORY LEVELS AS LOW AS POSSIBLE?

6) DO I KNOW MY SUPPLIERS' PURCHASING TERMS?

7) DOES MY MERCHANDISE DISPLAY SHOW OFF MY PRODUCTS OFF IN THE BEST WAY POSSIBLE?

8) DOES MY BUSINESS LOOK AS ATTRACTIVE AS POSSIBLE?

9) DID I MAKE MY PURCHASE JOURNAL ENTRIES AND MARK MY CALENDAR FOR DELIVERIES?

10) DID I TAKE INVENTORY THIS WEEK OR MONTH?

First Business Guide
Planning Calendar

The following section is a yearly planning calendar. It is designed to assist you in completing your business administration tasks, schedule appointments, and capture job hours for job costing.

The month and year have been left blank for you to fill in as needed. This enables you to start the calendar at any point in the year and still have a full 12 months to use the planning calendar. Therefore, you have to fill in each month and year on the planning calendar. Also, you will have to fill in the appropriate numbers for the dates in each month. There are boxes within each day for the appropriate number.

PLANNING CALENDAR

_____ (MONTH) _____ (YEAR)

MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY
☐ Codes: _____	☐ Codes: _____	☐ Codes: _____	☐ Codes: _____	☐ Codes: _____
Appts: _____	Appts: _____	Appts: _____	Appts: _____	Appts: _____
Job: _____	Job: _____	Job: _____	Job: _____	Job: _____
Hrs. _____	Hrs. _____	Hrs. _____	Hrs. _____	Hrs. _____
Job: _____	Job: _____	Job: _____	Job: _____	Job: _____
Hrs. _____	Hrs. _____	Hrs. _____	Hrs. _____	Hrs. _____
☐ Codes: _____	☐ Codes: _____	☐ Codes: _____	☐ Codes: _____	☐ Codes: _____
Appts: _____	Appts: _____	Appts: _____	Appts: _____	Appts: _____
Job: _____	Job: _____	Job: _____	Job: _____	Job: _____
Hrs. _____	Hrs. _____	Hrs. _____	Hrs. _____	Hrs. _____
Job: _____	Job: _____	Job: _____	Job: _____	Job: _____
Hrs. _____	Hrs. _____	Hrs. _____	Hrs. _____	Hrs. _____
☐ Codes: _____	☐ Codes: _____	☐ Codes: _____	☐ Codes: _____	☐ Codes: _____
Appts: _____	Appts: _____	Appts: _____	Appts: _____	Appts: _____
Job: _____	Job: _____	Job: _____	Job: _____	Job: _____
Hrs. _____	Hrs. _____	Hrs. _____	Hrs. _____	Hrs. _____
Job: _____	Job: _____	Job: _____	Job: _____	Job: _____
Hrs. _____	Hrs. _____	Hrs. _____	Hrs. _____	Hrs. _____
☐ Codes: _____	☐ Codes: _____	☐ Codes: _____	☐ Codes: _____	☐ Codes: _____
Appts: _____	Appts: _____	Appts: _____	Appts: _____	Appts: _____
Job: _____	Job: _____	Job: _____	Job: _____	Job: _____
Hrs. _____	Hrs. _____	Hrs. _____	Hrs. _____	Hrs. _____
Job: _____	Job: _____	Job: _____	Job: _____	Job: _____
Hrs. _____	Hrs. _____	Hrs. _____	Hrs. _____	Hrs. _____
☐ Codes: _____	☐ Codes: _____	☐ Codes: _____	☐ Codes: _____	☐ Codes: _____
Appts: _____	Appts: _____	Appts: _____	Appts: _____	Appts: _____
Job: _____	Job: _____	Job: _____	Job: _____	Job: _____
Hrs. _____	Hrs. _____	Hrs. _____	Hrs. _____	Hrs. _____
Job: _____	Job: _____	Job: _____	Job: _____	Job: _____
Hrs. _____	Hrs. _____	Hrs. _____	Hrs. _____	Hrs. _____

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SATURDAY	SUNDAY
Codes:	Codes:
Appts:	Appts:
Job:	Job:
Hrs.	Hrs.
Job:	Job:
Hrs.	Hrs.
Codes:	Codes:
Appts:	Appts:
Job:	Job:
Hrs.	Hrs.
Job:	Job:
Hrs.	Hrs.
Codes:	Codes:
Appts:	Appts:
Job:	Job:
Hrs.	Hrs.
Job:	Job:
Hrs.	Hrs.
Codes:	Codes:
Appts:	Appts:
Job:	Job:
Hrs.	Hrs.
Job:	Job:
Hrs.	Hrs.
Codes:	Codes:
Appts:	Appts:
Job:	Job:
Hrs.	Hrs.
Job:	Job:
Hrs.	Hrs.

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REMINDERS ! ! !

1. Did I write on my calendar all the things I need to do?
2. Do my cash sales balance with my actual cash on hand?
3. Have I contacted all the customers I planned on contacting?
4. Did I do all the estimates I planned to do this week?
5. Did I plan my merchandise and product purchases to target my customer demand?

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PLANNING CALENDAR

_____ (MONTH) _____ (YEAR)

MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY
☐ Codes: _____	☐ Codes: _____	☐ Codes: _____	☐ Codes: _____	☐ Codes: _____
Appts: _____	Appts: _____	Appts: _____	Appts: _____	Appts: _____
Job: _____	Job: _____	Job: _____	Job: _____	Job: _____
Hrs. _____	Hrs. _____	Hrs. _____	Hrs. _____	Hrs. _____
Job: _____	Job: _____	Job: _____	Job: _____	Job: _____
Hrs. _____	Hrs. _____	Hrs. _____	Hrs. _____	Hrs. _____
☐ Codes: _____	☐ Codes: _____	☐ Codes: _____	☐ Codes: _____	☐ Codes: _____
Appts: _____	Appts: _____	Appts: _____	Appts: _____	Appts: _____
Job: _____	Job: _____	Job: _____	Job: _____	Job: _____
Hrs. _____	Hrs. _____	Hrs. _____	Hrs. _____	Hrs. _____
Job: _____	Job: _____	Job: _____	Job: _____	Job: _____
Hrs. _____	Hrs. _____	Hrs. _____	Hrs. _____	Hrs. _____
☐ Codes: _____	☐ Codes: _____	☐ Codes: _____	☐ Codes: _____	☐ Codes: _____
Appts: _____	Appts: _____	Appts: _____	Appts: _____	Appts: _____
Job: _____	Job: _____	Job: _____	Job: _____	Job: _____
Hrs. _____	Hrs. _____	Hrs. _____	Hrs. _____	Hrs. _____
Job: _____	Job: _____	Job: _____	Job: _____	Job: _____
Hrs. _____	Hrs. _____	Hrs. _____	Hrs. _____	Hrs. _____
☐ Codes: _____	☐ Codes: _____	☐ Codes: _____	☐ Codes: _____	☐ Codes: _____
Appts: _____	Appts: _____	Appts: _____	Appts: _____	Appts: _____
Job: _____	Job: _____	Job: _____	Job: _____	Job: _____
Hrs. _____	Hrs. _____	Hrs. _____	Hrs. _____	Hrs. _____
Job: _____	Job: _____	Job: _____	Job: _____	Job: _____
Hrs. _____	Hrs. _____	Hrs. _____	Hrs. _____	Hrs. _____
☐ Codes: _____	☐ Codes: _____	☐ Codes: _____	☐ Codes: _____	☐ Codes: _____
Appts: _____	Appts: _____	Appts: _____	Appts: _____	Appts: _____
Job: _____	Job: _____	Job: _____	Job: _____	Job: _____
Hrs. _____	Hrs. _____	Hrs. _____	Hrs. _____	Hrs. _____
Job: _____	Job: _____	Job: _____	Job: _____	Job: _____
Hrs. _____	Hrs. _____	Hrs. _____	Hrs. _____	Hrs. _____

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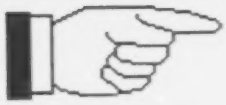

SATURDAY	SUNDAY
Codes:	Codes:
Appts:	Appts:
Job:	Job:
Hrs.	Hrs.
Job:	Job:
Hrs.	Hrs.
Codes:	Codes:
Appts:	Appts:
Job:	Job:
Hrs.	Hrs.
Job:	Job:
Hrs.	Hrs.
Codes:	Codes:
Appts:	Appts:
Job:	Job:
Hrs.	Hrs.
Job:	Job:
Hrs.	Hrs.
Codes:	Codes:
Appts:	Appts:
Job:	Job:
Hrs.	Hrs.
Job:	Job:
Hrs.	Hrs.
Codes:	Codes:
Appts:	Appts:
Job:	Job:
Hrs.	Hrs.
Job:	Job:
Hrs.	Hrs.

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REMINDERS ! ! !

1. Did I read the tasks from my calendar and complete these tasks?
2. Do my checks and credit card slips match my sales receipts/tickets?
3. Did I review the estimate for all the labor, material, equipment and overhead items?
4. Did I order the minimum order quantity?

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PLANNING CALENDAR

(MONTH) (YEAR)

MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY
Codes:	Codes:	Codes:	Codes:	Codes:
Appts:	Appts:	Appts:	Appts:	Appts:
Job:	Job:	Job:	Job:	Job:
Hrs.	Hrs.	Hrs.	Hrs.	Hrs.
Job:	Job:	Job:	Job:	Job:
Hrs.	Hrs.	Hrs.	Hrs.	Hrs.
Codes:	Codes:	Codes:	Codes:	Codes:
Appts:	Appts:	Appts:	Appts:	Appts:
Job:	Job:	Job:	Job:	Job:
Hrs.	Hrs.	Hrs.	Hrs.	Hrs.
Job:	Job:	Job:	Job:	Job:
Hrs.	Hrs.	Hrs.	Hrs.	Hrs.
Codes:	Codes:	Codes:	Codes:	Codes:
Appts:	Appts:	Appts:	Appts:	Appts:
Job:	Job:	Job:	Job:	Job:
Hrs.	Hrs.	Hrs.	Hrs.	Hrs.
Job:	Job:	Job:	Job:	Job:
Hrs.	Hrs.	Hrs.	Hrs.	Hrs.
Codes:	Codes:	Codes:	Codes:	Codes:
Appts:	Appts:	Appts:	Appts:	Appts:
Job:	Job:	Job:	Job:	Job:
Hrs.	Hrs.	Hrs.	Hrs.	Hrs.
Job:	Job:	Job:	Job:	Job:
Hrs.	Hrs.	Hrs.	Hrs.	Hrs.
Codes:	Codes:	Codes:	Codes:	Codes:
Appts:	Appts:	Appts:	Appts:	Appts:
Job:	Job:	Job:	Job:	Job:
Hrs.	Hrs.	Hrs.	Hrs.	Hrs.
Job:	Job:	Job:	Job:	Job:
Hrs.	Hrs.	Hrs.	Hrs.	Hrs.

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SATURDAY	SUNDAY
Codes:	Codes:
Appts:	Appts:
Job:	Job:
Hrs.	Hrs.
Job:	Job:
Hrs.	Hrs.
Codes:	Codes:
Appts:	Appts:
Job:	Job:
Hrs.	Hrs.
Job:	Job:
Hrs.	Hrs.
Codes:	Codes:
Appts:	Appts:
Job:	Job:
Hrs.	Hrs.
Job:	Job:
Hrs.	Hrs.
Codes:	Codes:
Appts:	Appts:
Job:	Job:
Hrs.	Hrs.
Job:	Job:
Hrs.	Hrs.
Codes:	Codes:
Appts:	Appts:
Job:	Job:
Hrs.	Hrs.
Job:	Job:
Hrs.	Hrs.

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REMINDERS ! ! !

1. Did I get all my messages and did I respond to these calls?
2. Did I enter all my checks properly in my one-write system?
3. What new products or services can I develop for my business?
4. Do I know my supplier, vendor, and manufacturer?

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PLANNING CALENDAR

(MONTH) (YEAR)

MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY
Codes:	Codes:	Codes:	Codes:	Codes:
Appts:	Appts:	Appts:	Appts:	Appts:
Job:	Job:	Job:	Job:	Job:
Hrs.	Hrs.	Hrs.	Hrs.	Hrs.
Job:	Job:	Job:	Job:	Job:
Hrs.	Hrs.	Hrs.	Hrs.	Hrs.
Codes:	Codes:	Codes:	Codes:	Codes:
Appts:	Appts:	Appts:	Appts:	Appts:
Job:	Job:	Job:	Job:	Job:
Hrs.	Hrs.	Hrs.	Hrs.	Hrs.
Job:	Job:	Job:	Job:	Job:
Hrs.	Hrs.	Hrs.	Hrs.	Hrs.
Codes:	Codes:	Codes:	Codes:	Codes:
Appts:	Appts:	Appts:	Appts:	Appts:
Job:	Job:	Job:	Job:	Job:
Hrs.	Hrs.	Hrs.	Hrs.	Hrs.
Job:	Job:	Job:	Job:	Job:
Hrs.	Hrs.	Hrs.	Hrs.	Hrs.
Codes:	Codes:	Codes:	Codes:	Codes:
Appts:	Appts:	Appts:	Appts:	Appts:
Job:	Job:	Job:	Job:	Job:
Hrs.	Hrs.	Hrs.	Hrs.	Hrs.
Job:	Job:	Job:	Job:	Job:
Hrs.	Hrs.	Hrs.	Hrs.	Hrs.
Codes:	Codes:	Codes:	Codes:	Codes:
Appts:	Appts:	Appts:	Appts:	Appts:
Job:	Job:	Job:	Job:	Job:
Hrs.	Hrs.	Hrs.	Hrs.	Hrs.
Job:	Job:	Job:	Job:	Job:
Hrs.	Hrs.	Hrs.	Hrs.	Hrs.

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SATURDAY	SUNDAY
Codes:	Codes:
Appts:	Appts:
Job:	Job:
Hrs.	Hrs.
Job:	Job:
Hrs.	Hrs.
Codes:	Codes:
Appts:	Appts:
Job:	Job:
Hrs.	Hrs.
Job:	Job:
Hrs.	Hrs.
Codes:	Codes:
Appts:	Appts:
Job:	Job:
Hrs.	Hrs.
Job:	Job:
Hrs.	Hrs.
Codes:	Codes:
Appts:	Appts:
Job:	Job:
Hrs.	Hrs.
Job:	Job:
Hrs.	Hrs.
Codes:	Codes:
Appts:	Appts:
Job:	Job:
Hrs.	Hrs.
Job:	Job:
Hrs.	Hrs.

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REMINDERS ! ! !

1. Did I get all my orders delivered on time and at the lowest cost possible?
2. Did I enter all my sales into my one-write system?
3. Do I know what is currently happening in my industry?
4. Did I get the estimate to my customer on time?

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PLANNING CALENDAR

(MONTH) (YEAR)

MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY
Codes:	Codes:	Codes:	Codes:	Codes:
Appts:	Appts:	Appts:	Appts:	Appts:
Job:	Job:	Job:	Job:	Job:
Hrs.	Hrs.	Hrs.	Hrs.	Hrs.
Job:	Job:	Job:	Job:	Job:
Hrs.	Hrs.	Hrs.	Hrs.	Hrs.
Codes:	Codes:	Codes:	Codes:	Codes:
Appts:	Appts:	Appts:	Appts:	Appts:
Job:	Job:	Job:	Job:	Job:
Hrs.	Hrs.	Hrs.	Hrs.	Hrs.
Job:	Job:	Job:	Job:	Job:
Hrs.	Hrs.	Hrs.	Hrs.	Hrs.
Codes:	Codes:	Codes:	Codes:	Codes:
Appts:	Appts:	Appts:	Appts:	Appts:
Job:	Job:	Job:	Job:	Job:
Hrs.	Hrs.	Hrs.	Hrs.	Hrs.
Job:	Job:	Job:	Job:	Job:
Hrs.	Hrs.	Hrs.	Hrs.	Hrs.
Codes:	Codes:	Codes:	Codes:	Codes:
Appts:	Appts:	Appts:	Appts:	Appts:
Job:	Job:	Job:	Job:	Job:
Hrs.	Hrs.	Hrs.	Hrs.	Hrs.
Job:	Job:	Job:	Job:	Job:
Hrs.	Hrs.	Hrs.	Hrs.	Hrs.
Codes:	Codes:	Codes:	Codes:	Codes:
Appts:	Appts:	Appts:	Appts:	Appts:
Job:	Job:	Job:	Job:	Job:
Hrs.	Hrs.	Hrs.	Hrs.	Hrs.
Job:	Job:	Job:	Job:	Job:
Hrs.	Hrs.	Hrs.	Hrs.	Hrs.

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SATURDAY	SUNDAY
Codes:	Codes:
Appts:	Appts:
Job:	Job:
Hrs.	Hrs.
Job:	Job:
Hrs.	Hrs.
Codes:	Codes:
Appts:	Appts:
Job:	Job:
Hrs.	Hrs.
Job:	Job:
Hrs.	Hrs.
Codes:	Codes:
Appts:	Appts:
Job:	Job:
Hrs.	Hrs.
Job:	Job:
Hrs.	Hrs.
Codes:	Codes:
Appts:	Appts:
Job:	Job:
Hrs.	Hrs.
Job:	Job:
Hrs.	Hrs.
Codes:	Codes:
Appts:	Appts:
Job:	Job:
Hrs.	Hrs.
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REMINDERS ! ! !

1. Did I provide all my services to my scheduled customers today?
2. Did I make my bank deposit and enter the deposit into my one-write system?
3. Do I need to address any complaints about my products or services?
4. Did I schedule my jobs for the day, week, month?
5. Did I plan and schedule my purchases in order to keep my inventory levels as low as possible?

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PLANNING CALENDAR

_____ (MONTH) _____ (YEAR)

MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY
Codes:	Codes:	Codes:	Codes:	Codes:
Appts:	Appts:	Appts:	Appts:	Appts:
Job:	Job:	Job:	Job:	Job:
Hrs.	Hrs.	Hrs.	Hrs.	Hrs.
Job:	Job:	Job:	Job:	Job:
Hrs.	Hrs.	Hrs.	Hrs.	Hrs.
Codes:	Codes:	Codes:	Codes:	Codes:
Appts:	Appts:	Appts:	Appts:	Appts:
Job:	Job:	Job:	Job:	Job:
Hrs.	Hrs.	Hrs.	Hrs.	Hrs.
Job:	Job:	Job:	Job:	Job:
Hrs.	Hrs.	Hrs.	Hrs.	Hrs.
Codes:	Codes:	Codes:	Codes:	Codes:
Appts:	Appts:	Appts:	Appts:	Appts:
Job:	Job:	Job:	Job:	Job:
Hrs.	Hrs.	Hrs.	Hrs.	Hrs.
Job:	Job:	Job:	Job:	Job:
Hrs.	Hrs.	Hrs.	Hrs.	Hrs.
Codes:	Codes:	Codes:	Codes:	Codes:
Appts:	Appts:	Appts:	Appts:	Appts:
Job:	Job:	Job:	Job:	Job:
Hrs.	Hrs.	Hrs.	Hrs.	Hrs.
Job:	Job:	Job:	Job:	Job:
Hrs.	Hrs.	Hrs.	Hrs.	Hrs.
Codes:	Codes:	Codes:	Codes:	Codes:
Appts:	Appts:	Appts:	Appts:	Appts:
Job:	Job:	Job:	Job:	Job:
Hrs.	Hrs.	Hrs.	Hrs.	Hrs.
Job:	Job:	Job:	Job:	Job:
Hrs.	Hrs.	Hrs.	Hrs.	Hrs.

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SATURDAY	SUNDAY
Codes:	Codes:
Appts:	Appts:
Job:	Job:
Hrs.	Hrs.
Job:	Job:
Hrs.	Hrs.
Codes:	Codes:
Appts:	Appts:
Job:	Job:
Hrs.	Hrs.
Job:	Job:
Hrs.	Hrs.
Codes:	Codes:
Appts:	Appts:
Job:	Job:
Hrs.	Hrs.
Job:	Job:
Hrs.	Hrs.
Codes:	Codes:
Appts:	Appts:
Job:	Job:
Hrs.	Hrs.
Job:	Job:
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Appts:	Appts:
Job:	Job:
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REMINDERS ! ! !

1. Did I pay all my bills, taxes, and other obligations?
2. How did my sales compare to my predictions on my budget?
3. Did I meet my sales projections for the week, the month, the year?
4. Do I know my suppliers purchasing terms?

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PLANNING CALENDAR

_____ (MONTH) _____ (YEAR)

MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY
Codes:	Codes:	Codes:	Codes:	Codes:
Appts:	Appts:	Appts:	Appts:	Appts:
Job:	Job:	Job:	Job:	Job:
Hrs.	Hrs.	Hrs.	Hrs.	Hrs.
Job:	Job:	Job:	Job:	Job:
Hrs.	Hrs.	Hrs.	Hrs.	Hrs.
Codes:	Codes:	Codes:	Codes:	Codes:
Appts:	Appts:	Appts:	Appts:	Appts:
Job:	Job:	Job:	Job:	Job:
Hrs.	Hrs.	Hrs.	Hrs.	Hrs.
Job:	Job:	Job:	Job:	Job:
Hrs.	Hrs.	Hrs.	Hrs.	Hrs.
Codes:	Codes:	Codes:	Codes:	Codes:
Appts:	Appts:	Appts:	Appts:	Appts:
Job:	Job:	Job:	Job:	Job:
Hrs.	Hrs.	Hrs.	Hrs.	Hrs.
Job:	Job:	Job:	Job:	Job:
Hrs.	Hrs.	Hrs.	Hrs.	Hrs.
Codes:	Codes:	Codes:	Codes:	Codes:
Appts:	Appts:	Appts:	Appts:	Appts:
Job:	Job:	Job:	Job:	Job:
Hrs.	Hrs.	Hrs.	Hrs.	Hrs.
Job:	Job:	Job:	Job:	Job:
Hrs.	Hrs.	Hrs.	Hrs.	Hrs.
Codes:	Codes:	Codes:	Codes:	Codes:
Appts:	Appts:	Appts:	Appts:	Appts:
Job:	Job:	Job:	Job:	Job:
Hrs.	Hrs.	Hrs.	Hrs.	Hrs.
Job:	Job:	Job:	Job:	Job:
Hrs.	Hrs.	Hrs.	Hrs.	Hrs.

SATURDAY	SUNDAY
Codes:	Codes:
Appts:	Appts:
Job:	Job:
Hrs.	Hrs.
Job:	Job:
Hrs.	Hrs.
Codes:	Codes:
Appts:	Appts:
Job:	Job:
Hrs.	Hrs.
Job:	Job:
Hrs.	Hrs.
Codes:	Codes:
Appts:	Appts:
Job:	Job:
Hrs.	Hrs.
Job:	Job:
Hrs.	Hrs.
Codes:	Codes:
Appts:	Appts:
Job:	Job:
Hrs.	Hrs.
Job:	Job:
Hrs.	Hrs.
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Appts:	Appts:
Job:	Job:
Hrs.	Hrs.
Job:	Job:
Hrs.	Hrs.

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REMINDERS ! ! !

1. Did I respond to any of my mail that I needed to?
2. Did my expenses match up with my predictions on my budget?
3. How can I improve my selling ability?
4. Did I review my labor and equipment hours with job progress this week?
5. Does my merchandise display show my products off in the best way possible?

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PLANNING CALENDAR

_____ (MONTH) _____ (YEAR)

MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY
☐ Codes:	☐ Codes:	☐ Codes:	☐ Codes:	☐ Codes:
Appts:	Appts:	Appts:	Appts:	Appts:
Job:	Job:	Job:	Job:	Job:
Hrs.	Hrs.	Hrs.	Hrs.	Hrs.
Job:	Job:	Job:	Job:	Job:
Hrs.	Hrs.	Hrs.	Hrs.	Hrs.
☐ Codes:	☐ Codes:	☐ Codes:	☐ Codes:	☐ Codes:
Appts:	Appts:	Appts:	Appts:	Appts:
Job:	Job:	Job:	Job:	Job:
Hrs.	Hrs.	Hrs.	Hrs.	Hrs.
Job:	Job:	Job:	Job:	Job:
Hrs.	Hrs.	Hrs.	Hrs.	Hrs.
☐ Codes:	☐ Codes:	☐ Codes:	☐ Codes:	☐ Codes:
Appts:	Appts:	Appts:	Appts:	Appts:
Job:	Job:	Job:	Job:	Job:
Hrs.	Hrs.	Hrs.	Hrs.	Hrs.
Job:	Job:	Job:	Job:	Job:
Hrs.	Hrs.	Hrs.	Hrs.	Hrs.
☐ Codes:	☐ Codes:	☐ Codes:	☐ Codes:	☐ Codes:
Appts:	Appts:	Appts:	Appts:	Appts:
Job:	Job:	Job:	Job:	Job:
Hrs.	Hrs.	Hrs.	Hrs.	Hrs.
Job:	Job:	Job:	Job:	Job:
Hrs.	Hrs.	Hrs.	Hrs.	Hrs.
☐ Codes:	☐ Codes:	☐ Codes:	☐ Codes:	☐ Codes:
Appts:	Appts:	Appts:	Appts:	Appts:
Job:	Job:	Job:	Job:	Job:
Hrs.	Hrs.	Hrs.	Hrs.	Hrs.
Job:	Job:	Job:	Job:	Job:
Hrs.	Hrs.	Hrs.	Hrs.	Hrs.

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SATURDAY	SUNDAY
Codes:	Codes:
Appts:	Appts:
Job:	Job:
Hrs.	Hrs.
Job:	Job:
Hrs.	Hrs.
Codes:	Codes:
Appts:	Appts:
Job:	Job:
Hrs.	Hrs.
Job:	Job:
Hrs.	Hrs.
Codes:	Codes:
Appts:	Appts:
Job:	Job:
Hrs.	Hrs.
Job:	Job:
Hrs.	Hrs.
Codes:	Codes:
Appts:	Appts:
Job:	Job:
Hrs.	Hrs.
Job:	Job:
Hrs.	Hrs.
Codes:	Codes:
Appts:	Appts:
Job:	Job:
Hrs.	Hrs.
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Hrs.	Hrs.

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REMINDERS ! ! !

1. Am I aware of all the current regulations concerning the operation of my business?
2. What is my current cash position and how can I improve my cash position now?
3. Am I in line with my marketing budget?
4. Did I review my material bills with my estimate?
5. Does my business look as attractive as possible?

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PLANNING CALENDAR

_____ (MONTH) _____ (YEAR)

MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY
Codes:	Codes:	Codes:	Codes:	Codes:
Appts:	Appts:	Appts:	Appts:	Appts:
Job:	Job:	Job:	Job:	Job:
Hrs.	Hrs.	Hrs.	Hrs.	Hrs.
Job:	Job:	Job:	Job:	Job:
Hrs.	Hrs.	Hrs.	Hrs.	Hrs.
Codes:	Codes:	Codes:	Codes:	Codes:
Appts:	Appts:	Appts:	Appts:	Appts:
Job:	Job:	Job:	Job:	Job:
Hrs.	Hrs.	Hrs.	Hrs.	Hrs.
Job:	Job:	Job:	Job:	Job:
Hrs.	Hrs.	Hrs.	Hrs.	Hrs.
Codes:	Codes:	Codes:	Codes:	Codes:
Appts:	Appts:	Appts:	Appts:	Appts:
Job:	Job:	Job:	Job:	Job:
Hrs.	Hrs.	Hrs.	Hrs.	Hrs.
Job:	Job:	Job:	Job:	Job:
Hrs.	Hrs.	Hrs.	Hrs.	Hrs.
Codes:	Codes:	Codes:	Codes:	Codes:
Appts:	Appts:	Appts:	Appts:	Appts:
Job:	Job:	Job:	Job:	Job:
Hrs.	Hrs.	Hrs.	Hrs.	Hrs.
Job:	Job:	Job:	Job:	Job:
Hrs.	Hrs.	Hrs.	Hrs.	Hrs.
Codes:	Codes:	Codes:	Codes:	Codes:
Appts:	Appts:	Appts:	Appts:	Appts:
Job:	Job:	Job:	Job:	Job:
Hrs.	Hrs.	Hrs.	Hrs.	Hrs.
Job:	Job:	Job:	Job:	Job:
Hrs.	Hrs.	Hrs.	Hrs.	Hrs.

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SATURDAY	SUNDAY
Codes:	Codes:
Appts:	Appts:
Job:	Job:
Hrs.	Hrs.
Job:	Job:
Hrs.	Hrs.
Codes:	Codes:
Appts:	Appts:
Job:	Job:
Hrs.	Hrs.
Job:	Job:
Hrs.	Hrs.
Codes:	Codes:
Appts:	Appts:
Job:	Job:
Hrs.	Hrs.
Job:	Job:
Hrs.	Hrs.
Codes:	Codes:
Appts:	Appts:
Job:	Job:
Hrs.	Hrs.
Job:	Job:
Hrs.	Hrs.
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Appts:	Appts:
Job:	Job:
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Job:	Job:
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REMINDERS ! ! !

1. Did I do all my bookkeeping chores today?
2. Did I pay all my bills and taxes due this week?
3. Did I measure and inventory all my jobs this week?
4. Did I make my purchase journal entries and mark my calendar for deliveries?

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PLANNING CALENDAR

_____ (MONTH) _____ (YEAR)

MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY
☐ Codes:	☐ Codes:	☐ Codes:	☐ Codes:	☐ Codes:
Appts:	Appts:	Appts:	Appts:	Appts:
Job:	Job:	Job:	Job:	Job:
Hrs.	Hrs.	Hrs.	Hrs.	Hrs.
Job:	Job:	Job:	Job:	Job:
Hrs.	Hrs.	Hrs.	Hrs.	Hrs.
☐ Codes:	☐ Codes:	☐ Codes:	☐ Codes:	☐ Codes:
Appts:	Appts:	Appts:	Appts:	Appts:
Job:	Job:	Job:	Job:	Job:
Hrs.	Hrs.	Hrs.	Hrs.	Hrs.
Job:	Job:	Job:	Job:	Job:
Hrs.	Hrs.	Hrs.	Hrs.	Hrs.
☐ Codes:	☐ Codes:	☐ Codes:	☐ Codes:	☐ Codes:
Appts:	Appts:	Appts:	Appts:	Appts:
Job:	Job:	Job:	Job:	Job:
Hrs.	Hrs.	Hrs.	Hrs.	Hrs.
Job:	Job:	Job:	Job:	Job:
Hrs.	Hrs.	Hrs.	Hrs.	Hrs.
☐ Codes:	☐ Codes:	☐ Codes:	☐ Codes:	☐ Codes:
Appts:	Appts:	Appts:	Appts:	Appts:
Job:	Job:	Job:	Job:	Job:
Hrs.	Hrs.	Hrs.	Hrs.	Hrs.
Job:	Job:	Job:	Job:	Job:
Hrs.	Hrs.	Hrs.	Hrs.	Hrs.
☐ Codes:	☐ Codes:	☐ Codes:	☐ Codes:	☐ Codes:
Appts:	Appts:	Appts:	Appts:	Appts:
Job:	Job:	Job:	Job:	Job:
Hrs.	Hrs.	Hrs.	Hrs.	Hrs.
Job:	Job:	Job:	Job:	Job:
Hrs.	Hrs.	Hrs.	Hrs.	Hrs.

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SATURDAY	SUNDAY
Codes:	Codes:
Appts:	Appts:
Job:	Job:
Hrs.	Hrs.
Job:	Job:
Hrs.	Hrs.
Codes:	Codes:
Appts:	Appts:
Job:	Job:
Hrs.	Hrs.
Job:	Job:
Hrs.	Hrs.
Codes:	Codes:
Appts:	Appts:
Job:	Job:
Hrs.	Hrs.
Job:	Job:
Hrs.	Hrs.
Codes:	Codes:
Appts:	Appts:
Job:	Job:
Hrs.	Hrs.
Job:	Job:
Hrs.	Hrs.
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Appts:	Appts:
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REMINDERS ! ! !

1. Can I improve my sales and cut my expenses or do I need to increase my cash through investment or a loan?
2. Did my sales, expense, and cash predictions match up with my predictions for the month?
3. Did I review my jobs' overhead with my actual overhead for the month?
4. Did I take inventory this week or month?

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PLANNING CALENDAR

_____ (MONTH) _____ (YEAR)

MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY
Codes:	Codes:	Codes:	Codes:	Codes:
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Job:	Job:	Job:	Job:	Job:
Hrs.	Hrs.	Hrs.	Hrs.	Hrs.
Job:	Job:	Job:	Job:	Job:
Hrs.	Hrs.	Hrs.	Hrs.	Hrs.
Codes:	Codes:	Codes:	Codes:	Codes:
Appts:	Appts:	Appts:	Appts:	Appts:
Job:	Job:	Job:	Job:	Job:
Hrs.	Hrs.	Hrs.	Hrs.	Hrs.
Job:	Job:	Job:	Job:	Job:
Hrs.	Hrs.	Hrs.	Hrs.	Hrs.
Codes:	Codes:	Codes:	Codes:	Codes:
Appts:	Appts:	Appts:	Appts:	Appts:
Job:	Job:	Job:	Job:	Job:
Hrs.	Hrs.	Hrs.	Hrs.	Hrs.
Job:	Job:	Job:	Job:	Job:
Hrs.	Hrs.	Hrs.	Hrs.	Hrs.
Codes:	Codes:	Codes:	Codes:	Codes:
Appts:	Appts:	Appts:	Appts:	Appts:
Job:	Job:	Job:	Job:	Job:
Hrs.	Hrs.	Hrs.	Hrs.	Hrs.
Job:	Job:	Job:	Job:	Job:
Hrs.	Hrs.	Hrs.	Hrs.	Hrs.
Codes:	Codes:	Codes:	Codes:	Codes:
Appts:	Appts:	Appts:	Appts:	Appts:
Job:	Job:	Job:	Job:	Job:
Hrs.	Hrs.	Hrs.	Hrs.	Hrs.
Job:	Job:	Job:	Job:	Job:
Hrs.	Hrs.	Hrs.	Hrs.	Hrs.

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SATURDAY	SUNDAY
Codes:	Codes:
Appts:	Appts:
Job:	Job:
Hrs.	Hrs.
Job:	Job:
Hrs.	Hrs.
Codes:	Codes:
Appts:	Appts:
Job:	Job:
Hrs.	Hrs.
Job:	Job:
Hrs.	Hrs.
Codes:	Codes:
Appts:	Appts:
Job:	Job:
Hrs.	Hrs.
Job:	Job:
Hrs.	Hrs.
Codes:	Codes:
Appts:	Appts:
Job:	Job:
Hrs.	Hrs.
Job:	Job:
Hrs.	Hrs.
Codes:	Codes:
Appts:	Appts:
Job:	Job:
Hrs.	Hrs.
Job:	Job:
Hrs.	Hrs.
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REMINDERS ! ! !

1. Do I need to contact any of my suppliers or vendors regarding payments or shipments?
2. If my current cash position is poor, what am I going to do to correct it?
3. Do I know what my competition is doing?
4. Did I log in my labor and equipment hours today?

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PLANNING CALENDAR

_____ (MONTH) _____ (YEAR)

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Codes:	Codes:	Codes:	Codes:	Codes:
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Job:	Job:	Job:	Job:	Job:
Hrs.	Hrs.	Hrs.	Hrs.	Hrs.
Job:	Job:	Job:	Job:	Job:
Hrs.	Hrs.	Hrs.	Hrs.	Hrs.
Codes:	Codes:	Codes:	Codes:	Codes:
Appts:	Appts:	Appts:	Appts:	Appts:
Job:	Job:	Job:	Job:	Job:
Hrs.	Hrs.	Hrs.	Hrs.	Hrs.
Job:	Job:	Job:	Job:	Job:
Hrs.	Hrs.	Hrs.	Hrs.	Hrs.
Codes:	Codes:	Codes:	Codes:	Codes:
Appts:	Appts:	Appts:	Appts:	Appts:
Job:	Job:	Job:	Job:	Job:
Hrs.	Hrs.	Hrs.	Hrs.	Hrs.
Job:	Job:	Job:	Job:	Job:
Hrs.	Hrs.	Hrs.	Hrs.	Hrs.
Codes:	Codes:	Codes:	Codes:	Codes:
Appts:	Appts:	Appts:	Appts:	Appts:
Job:	Job:	Job:	Job:	Job:
Hrs.	Hrs.	Hrs.	Hrs.	Hrs.
Job:	Job:	Job:	Job:	Job:
Hrs.	Hrs.	Hrs.	Hrs.	Hrs.
Codes:	Codes:	Codes:	Codes:	Codes:
Appts:	Appts:	Appts:	Appts:	Appts:
Job:	Job:	Job:	Job:	Job:
Hrs.	Hrs.	Hrs.	Hrs.	Hrs.
Job:	Job:	Job:	Job:	Job:
Hrs.	Hrs.	Hrs.	Hrs.	Hrs.

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SATURDAY	SUNDAY
Codes:	Codes:
Appts:	Appts:
Job:	Job:
Hrs.	Hrs.
Job:	Job:
Hrs.	Hrs.
Codes:	Codes:
Appts:	Appts:
Job:	Job:
Hrs.	Hrs.
Job:	Job:
Hrs.	Hrs.
Codes:	Codes:
Appts:	Appts:
Job:	Job:
Hrs.	Hrs.
Job:	Job:
Hrs.	Hrs.
Codes:	Codes:
Appts:	Appts:
Job:	Job:
Hrs.	Hrs.
Job:	Job:
Hrs.	Hrs.
Codes:	Codes:
Appts:	Appts:
Job:	Job:
Hrs.	Hrs.
Job:	Job:
Hrs.	Hrs.

Listed below are business administration items and tasks (from page 7 of the Guide) that you will need to perform on a daily, weekly, or monthly basis. Next to each item or task is a code letter.

To assist you in completing the items and tasks on a timely basis, place the appropriate code letter on the day that the item or task needs to be completed. Each day has a space for the code letter.

For example, paying your bills and loan payments is coded "**A;**" if you need to pay bills every Friday, then place the letter "**A**" in each box marked Friday; if you have a loan payment due on the 15th of the month, then place the letter "**A**" in the box labeled 15.

- **A** = Paying bills and loan payments
- **B** = Bank deposits
- **C** = Balance the checkbook
- **D** = Payroll, sales, or other tax deposits, payments, or reports
- **E** = Employee payroll
- **F** = Review cash budget
- **G** = Customer sales calls
- **H** = Review customer sales calls
- **I** = Make deliveries
- **J** = Take inventory
- **K** = Order supplies or merchandise
- **L** = Merchandise/supplies delivery due in or make a pick up
- **M** = Plan job, store, or work schedules
- **N** = Review job labor and equipment hours and compare to estimate

Each day has a space below the area for the letter codes. This space can be used for your appointments with customers, vendors, suppliers, business associates, or any other appointments.

To capture job or project hours for your business (Estimation, Project Management, and Scheduling Section of the Guide), you can use the lower space in each day for writing in the job hours worked that day. Each day has a place for you to write in the job name, job customer/client, or a job number, and a place for you to record the actual hours worked that day.

REMINDERS ! ! !

1. Do I need to revise my sales, expense, and cash budgets?
2. Can I locate any new customers or a new marketplace?
3. Did my estimate dollar amounts add up accurately?
4. Have I asked for and received information about the products I am purchasing?

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